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(15588)

FURTHER CORRESPONDENCE

RESPECTING

TURKEY

PART XXXV

JANUARY TO JUNE 1938

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Further Correspondence respecting Turkey.

PART XXXV.—JANUARY TO JUNE 1938.

[E 133/133/44] No. 1.

Sir P. Loraine to Mr. Eden.—(Received January 8, 1938.)

(No. 758.)

Sir, *Angora, December 28, 1937.*

I HAVE the honour, with reference to Mr. Morgan's despatch No. 525 of the 17th October, 1936, regarding the settlement in Turkey of Turkish emigrants from Roumania and Bulgaria, to inform you that on the 31st May last the former Minister of Health gave to the Grand National Assembly an account of the activities of the Turkish Government in this respect. The following are the principal points in Dr. Refik Saydam's statement :—

2. Up to the end of 1935 a total of 63,936 emigrants, composing 16,625 families, had arrived in Turkey : of these 61,277 (31,553 from Bulgaria, 28,557 from Roumania and 1,167 from Yugoslavia) had been settled in Thrace, and the remaining 2,659 in various parts of Anatolia. 6,739 houses had been constructed for them, and oxen, ploughs and waggons had been distributed among them.

3. In 1936 a total of 31,495 emigrants had arrived in Turkey (20,114 from Roumania and 11,381 from Bulgaria) and had been distributed over fifteen Turkish vilayets; 4,118 houses had been constructed for them in Thrace, 808 in Kocaeli (Izmit) and 418 in other vilayets. The Turkish Government had assumed all expenses arising from their transfer from Constantza, and had provided them not only with oxen and ploughs, but with grain for their sustenance, seed for their crops and land to till. In addition, artisans had been granted a capital sum to enable them to start working, and all had been provided with free medical treatment.

4. Dr. Saydam gave full details of the amount of land distributed, and added that 25,000 emigrants (10,000 from Bulgaria and 15,000 from Roumania) would arrive during 1937. Fifteen thousand of them would be settled in Thrace, and the rest divided between the Ægean coast and the interior of Anatolia.

5. It may therefore be assumed that at least 120,000 emigrants from Balkan countries have now been established in Turkey at the expense of the Turkish Government. Dr. Saydam gave no indication in his speech of the cost of their transfer and settlement, but a press report dated the 13th November last estimated that the Government had so far expended the sum of £T. 8,500,000 in this respect.

6. I am sending copies of this despatch to His Majesty's Ministers at Belgrade, Bucharest and Sofia.

I have, &c.
PERCY LORAINE.

[E 135/135/44] No. 2.

Sir S. Waterlow to Mr. Eden.—(Received January 8.)

(No. 4. Secret.)
(Telegraphic.) *Athens, January 8, 1938.*

KING GEORGE, speaking to me in strict confidence, last night said that he was somewhat perturbed by the strong impression which he had recently received that the Turkish Government were weakening in their refusal to be attracted by Berlin–Rome axis. He thought that they were beginning to regard German military strength as irresistible and to be overawed accordingly. He wondered whether we could do anything about it.

I gathered that Greek General Staff was the channel for conveying to His Majesty this impression of the Turkish attitude.

His Majesty emphasised that he was saying this to me not as British Minister but a friend, and that his name must not be mentioned.

(Repeated to Angora.)

[E 223/135/44] No. 3.

Mr. Scrivener to Mr. Eden.—(Received January 10.)

(No. 5. Secret.)
(Telegraphic.) *Angora, January 10, 1938.*

SIR S. WATERLOW'S telegram No. 4.

No evidence has reached this post of a nature to confirm the impression which King George has received and which, if accurate, would imply an unwelcome change in the whole present tendency of Turkish foreign policy. Indeed, the contrary is the case (please see Sir P. Loraine's letter, most confidential, of 30th December to Sir R. Vansittart, particularly penultimate paragraph). Incidentally, in the last paragraph of that letter Dr. Aras imputes to Balkan countries much the same [group undecypherable] Germany as is now being imputed to Turkey. Any change of the nature suggested would require approval of President of the Republic. Please see in this connexion Sir P. Loraine's despatch No. 63 of 1937, which shows that such approval would be most unlikely to be forthcoming.

(Repeated to Athens.)

[E 369/369/44] No. 4.

Sir P. Loraine to Mr. Eden.—(Received January 20.)

(No. 3. Confidential.)
Sir, *Angora, January 1, 1938.*

I HAVE the honour, with reference to my despatch No. 1, Confidential, of the 1st January, 1937, to transmit to you herewith the annual report on the heads of missions in Turkey in 1937, which has been prepared in accordance with the instructions contained in your circular despatch of the 30th March, 1937.

I have, &c.
(For the Ambassador),
PATRICK SCRIVENER.

Enclosure in No. 4.

Report on Heads of Foreign Missions in Turkey.

[The paragraphs reproduced from earlier reports are marked with asterisks.]

Afghanistan.

Sultan Ahmed Khan presented his credentials as fully accredited Ambassador on the 28th March, 1931. He became dean of the Diplomatic Body in the summer of 1934.

Of Sultan Ahmed Khan's diplomatic abilities it is difficult to judge; but he seems to be thoroughly *persona grata* to the Turks, whose language he speaks, and he shows himself most friendly and amiable to all with whom he comes in contact. He is a pleasant colleague and, I should say, a convinced Anglophil both in his personal and political outlook. Sultan Ahmed Khan has frequently expressed to me his great satisfaction at the friendly relations now obtaining between the United Kingdom and Turkey, at the healthy receptiveness of the rulers of Turkey to British counsels and, more generally, at the gradual resumption by England since the war of her friendly relations with the Moslem States of Asia.

He is married, but his wife very seldom appears in non-Moslem society and possesses no language but her own, though she is credited with an effort to learn French.

Since the beginning of 1936, the duties of principal diplomatic lady on public and official occasions have devolved on Lady Loraine.

Albania.

M. Djavid Leskoviku, fully accredited Minister, presented his credentials on the 14th May, 1933, being the first Albanian Minister to Turkey since the Gazi's recognition of King Zog. The Minister served in the Turkish army during the Balkan war and was Albanian Chief of Staff in 1923.

The Albanian Legation at Angora was abolished as a separate post in March 1934, when M. Leskoviku left for Athens to take up his residence as Minister there. He is still in charge of Albanian interests in Turkey, but is never seen.

I am thus unacquainted with his political outlook and sympathies.

Austria.

*M. Karl Buchberger, fully accredited Minister, presented his credentials on the 17th October, 1933. He was previously Chargé d'Affaires at Stockholm. He and his Swedish wife are friendly and already generally liked. Both speak English, Mme. Buchberger less well than her husband. (Written in 1933.)

I regard M. Buchberger as an able man, studious, of considerable intellectual attainment, and well-informed. He does not parade his views; but I think he has a decided sympathy for the United Kingdom, and his attitude towards me myself has always been friendly.

Belgium.

*M. Georges de Raymond presented his credentials as Minister on the 20th March, 1932. He is virtually a widower, his wife, a well-bred and agreeable French lady, whom I knew in Persia, being a permanent invalid of the mental category.

*M. de Raymond was Belgian Minister for a number of years in Tehran, and was my colleague there. He has spent the interval as Belgian Minister in Prague. He has a certain degree of ability, but does not have the faculty of inspiring confidence. His vice is talking. Conversation flows from him in an interminable spate, and one so unpunctuated that he is the most difficult man to separate from that I have ever met.

*He certainly has plenty of experience, and I should judge him to be a good representative of his country's interests. I, nevertheless, rather doubt his being given any of the most important posts in the Belgian service. (Written in 1934.)

M. de Raymond often expresses admiration and respect for the United Kingdom. This may be so; but I do not think he is a man of deep convictions, and I do think that his personal interests are his principal preoccupation.

Brazil.

Dr. A. F. Lopes de Almeida, Brazilian consul in Istanbul since June 1934, informed me in September last that he had assumed the functions of Brazilian Chargé d'Affaires in Turkey. The Brazilian Legation in Turkey had been closed since the transfer of the previous Chargé d'Affaires to Athens in 1934.

That is all I know about him.

Bulgaria.

M. Théodore Christoff, fully accredited Minister, presented his letters on the 12th June, 1936.

M. Christoff is a serious-minded man, who makes a favourable impression; but he is of a retiring nature and has a rather nervous manner. I doubt his having a strong character, but I think he is an honest-minded man, an able representative, and not an intriguer. He professes strong Anglophil sympathies, and I think they are genuine.

China.

*General Ho Yao-tsu, first Chinese Minister to the Turkish Republic, presented his letters on the 16th May, 1935.

*The general talks no language except Chinese, and interviews with him consequently have to take place with an English-speaking interpreter, of which his numerous staff includes several. General Ho's small stature, his gentle and almost deprecating demeanour would hardly seem to be the correct attributes for a truculent and ruthless Chinese war-lord, which rôle he is here popularly supposed to have filled.

*He is most friendly and profuse in his professions of admiration and respect for England and the British race.

*I doubt whether he knows much of any world outside China, or his possession of any matured ideas on international politics. It is possible, however, that a recent tour in the west of Europe has broadened his horizon.

*The Turks do not seem to take the Chinese mission very seriously. I rather doubt there being any good reasons why they should. (Written in 1935.)

General Ho Yao-tsu has been absent from Turkey throughout 1937, and the Legation staff is now reduced to two members. According to the Turkish press, the general is now in command of an army in China.

Czechoslovakia.

*M. Karel Halla, fully accredited Minister, presented his letters on the 20th June, 1935.

*M. Halla gives me the impression of being agreeable, intelligent and friendly; and as possessing more personal distinction than most of the Czechoslovak representatives with whom I have hitherto come in contact.

*Mme. Halla is an agreeable and unostentatious lady, who is genuinely liked. (Written in 1936.)

M. Halla has been absent from Turkey for the past six months. I understand that he will not return to Angora, and that the name of his successor has already been announced in Prague.

Denmark.

*M. Axel Norgaard, fully accredited Minister, presented his credentials on the 24th March, 1934.

*He is a pleasant, elderly gentleman, lacking, I should say, either in ambition or intellectual endowment. (Written in 1934.)

Egypt.

Mohammed-el-Mofty-el-Gazaerli Bey, fully accredited Minister, presented his letters on the 28th October, 1935.

Mohammed-el-Mofty-el-Gazaerli Bey is a well-educated man, and I have formed a favourable opinion of his intellectual ability. He was formerly an ardent Wafdist, but, like so many Wafdists who have held diplomatic posts abroad, he has realised the futility in Egypt's own interests of the exclusive, extremist and anti-British elements in the Wafd's brand of nationalism, and is persuaded of the ultimate indivisibility of Anglo-Egyptian interests.

He has established good relations with Turkish officialdom and, so far as I can judge, conducts his duties with modesty and discretion. My personal relations with him are definitely friendly.

He cordially welcomed the conclusion of the Anglo-Egyptian Treaty.

France.

M. Henri Ponsot, fully accredited Ambassador, presented his credentials on the 16th May, 1936. M. Ponsot's last office was that of Resident-General, Morocco; prior to that he had served for seven years as French High Commissioner in Beirut. Although neither he nor his wife was well pleased at being sent to Angora after holding two French satrapies, they have now resigned themselves to their present lot with good grace and humour. The new and spacious French Embassy in Angora has been completed, and they are now living there in much greater comfort than they had enjoyed before.

M. Ponsot's mission to Turkey has coincided with a difficult period in Franco-Turkish relations owing to the dispute over the Alexandretta Sanjak. This circumstance, and my frequent contacts with M. Ponsot, largely on that account, have enabled me to form a far more definite opinion of his abilities and outlook than would have been possible in more humdrum times. That opinion is a high one. I rank M. Ponsot in the best class of French representatives abroad. He is not a mere official. He has a statesmanlike outlook; he is clear-headed, has a wide experience, a ripe judgment and broad sympathies, and he does not get flustered. My own relations with him are happy, frank, cordial and never unnecessarily formal. While remaining essentially French in his outlook and sympathies, he is a firm advocate and supporter of the closest understanding and co-operation between France and the United Kingdom. I think, too, that his character is as reliable as his judgment.

In spite of a now lengthy period of strain in Franco-Turkish relations, M. Ponsot has won the personal esteem and confidence of the leading Turkish personalities. In a way this is a tribute to the Turks as well as to M. Ponsot.

Germany.

Herr von Keller presented his credentials as a fully accredited Ambassador on the 28th October, 1935.

I find him very civil and amiable and our personal relations are good. I think he is honest-minded, certainly not a trickster, but with a strain of obstinacy in his ideas, which I attribute more to his intellectual limitations and German-headedness than to any congenital sin. I doubt his being a convinced Nazi; I would guess that he has convinced himself that nazism has come to stay for a long while in Germany, and persuaded himself that it is all for the best. I also feel that his natural feelings towards the United Kingdom are friendly, but that these will always be subordinated to the policy of Berlin. He professes the greatest horror of another Great War, I think genuinely. That said, I find him a respectable and honourable representative of his country, maybe just on the stupid side.

Herr von Keller's personal relations with the Turks seem good, but on the Turkish side marked with esteem rather than cordiality.

He is married to an agreeable German lady, and both of them speak very adequate English. They have several children.

Greece.

*Early in the year M. Raphael Raphael was appointed Greek Minister in Angora. He presented his letters of credence on the 25th January.

*Before his appointment to Turkey M. Raphael was a senior member of the staff of the Greek Legation at Berne, and has been much concerned with League of Nations work.

*I have not yet seen a great deal of M. Raphael, but he appears to be an intelligent and competent official, of good experience and temperate judgment.

*He appears to be well liked by all those who have come into contact with him.

*M. Raphael is married to a Greek lady of an Alexandrian family. (Written in 1936.)

Hungary.

*M. Zoltan de Máriássy, fully accredited Minister, presented his letters on the 10th June, 1935.

*M. de Máriássy is a bachelor and has already become popular in the society of Angora; I think deservedly so. He is, in my opinion, a diplomatic agent of ability and good sense, and his agreeable demeanour and the pleasing and cheerful atmosphere which surrounds him is certainly a great asset to him in the conduct of his official and social duties. He entertains a very friendly feeling indeed for England, which strikes me as being quite sincere. (Written in 1936.)

Is also accredited to Iraq and Iran.

Iran.

Mr. Khalil Fahimi presented his letters on the 14th May, 1936.

During my residence in Iran as His Majesty's Minister I was well acquainted with this Iranian representative, who was then known as Fahim-el-Mulk, and had at various times held Cabinet office. Immediately before his designation as Iranian Ambassador to Turkey he had been for some years Governor-General of Azerbaijan.

*Mr. Fahimi is a cultured and gentle person, but of no decided views of his own. His manners and address are agreeable, and I feel sure that he will be generally liked in Angora. I fancy that he stands in wholesome awe of his Imperial master and expect that he will prove a satisfactory representative of his country in Turkey, except in the unlikely event of a diplomatic tussle between the two countries, which all his personal inclinations would incline him to avoid. (Written in 1936.)

During the past year Mr. Fahimi has displayed a certain interest in the promotion of British economic enterprise in Iran.

Iraq.

*Naji Beg Shawkat (known in Turkey as Naci Şevket Bey), fully accredited Minister, presented his letters of credence on the 2nd June, 1934. He was previously Iraqi Minister at Angora from October 1930 to October 1931, when he returned to Bagdad to become Prime Minister for a few months and also Minister of the Interior.

*Naji Shawkat was previously Mutessarif of Mosul, and had the reputation in Iraq of being an extreme Nationalist with anti-British tendencies. He has shown no sign of them, however, in recent years, and has acquired a reputation for administrative ability and integrity. Unfortunately, relations with him are difficult, as he is very retiring, almost stone-deaf, and knows no European language. His wife, who is equally retiring, now speaks a little French. (Written in 1934.)

Naci Şevket Bey is now in residence in his new Legation.

Italy.

*M. Carlo Galli presented his letters as fully accredited Ambassador on the 12th January, 1935.

His previous record as Italian Minister in Tehran, where he was my colleague, and later in Yugoslavia, where he enjoyed the personal friendship and esteem of Sir Nevile Henderson, will be known to your Department. It will also be remembered that, after the conclusion of the peace treaties, M. Galli co-operated closely in Paris with Sir R. Vansittart and M. Kammerer, as experts for the settlement of a number of questions of interest to the United Kingdom, France and Italy arising out of the war.

*M. Galli is married to a French wife, who recently presented him with a son, which is the great pride of the household. It is not possible for M. and Mme. Galli to entertain on any but the smallest scale, their present lodgment being an unspacious house of the bungalow type.

*M. Galli is certainly one of the most capable Italian representatives abroad and is, I have little doubt, a Fascist by necessity rather than by choice. In saying this, I do not wish to belittle his Italian patriotism, which I believe to be fervent. His first contacts with the Turks were definitely auspicious; he seemed to them friendly-disposed, broad-minded, and of temperate manner and judgment, and it was certainly hoped that, with his assistance, Italo-Turkish relations would become smoother and more normal. The development of the Italo-Ethiopian conflict and the unconcealed determination of the Turkish Government to fulfil faithfully their obligations under the Covenant of the League, preserving so far as they could in these circumstances friendly relations with Italy, necessarily

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delayed this process. I judge, however, that M. Galli handled this, for him, difficult position with enough skill and tact to avoid hurting any Turkish susceptibility or arousing any Turkish animosity. (Written in 1935.)

My own relations with M. Galli became tenuous during the Abyssinian episode. We have now resumed the thread of our personal relations, but have hitherto refrained from exchanging political notions. I have good grounds, nevertheless, for believing that, in M. Galli's own opinion, Italy has little to gain and maybe much to lose by strained relations with the United Kingdom, that he regrets them and would welcome the return of friendly and cordial relations between Rome and London. But, whatever his personal views, I should always expect him to be a faithful instrument of his Government's policy.

I have the impression, which may just be of sufficient interest to record, that, although M. Galli's capacities are appreciated in Rome, he nevertheless does not carry very much weight there.

Japan.

Mr. Toshihiko Taketomi presented his letters as Japanese Ambassador on the 15th March, 1937.

I have had no occasion to see Mr. Taketomi since Japan attacked China. Before that I found him friendly and amiable enough, and outwardly Anglophil in his personal sentiments. But, like so many of his compatriots, he is rather inscrutable, and I fancy that his apparent joviality and good-fellowship are not much more than a convenient mask for his true feelings, whatever they may be.

In the circumstances, I can form no useful opinion of his professional ability, but I should doubt his outlook being either broad or statesmanlike.

Netherlands.

*The Legation has been in charge of Baron van Harinxma thoe Slooten, as Chargé d'Affaires, since the 31st March, 1933. Both he and his wife are agreeable and speak English well. They have acquired a residence in Angora close to His Majesty's Embassy. It is understood that, for reasons of economy, the Netherlands Government do not propose to appoint another Minister. (Written in 1933.)

I fear that Baroness Harinxma, despite the wide circle of English acquaintance that she claims, is anti-English and pro-German, and that she repeats everything she hears to the German Embassy.

I understand that Baron van Harinxma has been transferred to the Netherlands Legation in Brussels.

Norway.

M. Sigurd Bentzon, fully accredited Minister, presented his credentials on the 8th October, 1930, and was the first Norwegian Minister to be accredited to Turkey. He speaks perfect English, and has an agreeable and well-bred English wife.

In spite of a great show of friendliness, I have reached the definite conclusion that M. Bentzon's politico-spiritual home is in Berlin, that he is a convinced pro-German, and that his apparent anglophilism is fraudulent.

My personal relations with M. Bentzon are perfectly good and cordial, but I do not trust him.

Poland.

*Count George Potocki, having been appointed Polish Ambassador in Washington, his successor, M. Michel Sokolnicki, presented his credentials as Polish Ambassador to Turkey on the 12th June, 1936. M. Sokolnicki's personal tastes, being intellectual, literary and artistic, are in strong contrast to those of his predecessor. I have not yet been able to see a great deal of M. Sokolnicki, but I should judge him to be a man of distinct ability, though maybe not of abundant energy. His demeanour towards myself and the feelings that he expresses for the United Kingdom are friendly, and, I think, genuinely so. Both he and his wife have been rather seriously ill since their arrival in this country. Mme. Sokolnicka is an agreeable lady of good education and manners. She is a keen and competent bridge player and will be a welcome addition to Angora society.

*The Polish Embassy is in Angora. It is a large, well-situated house, built almost entirely of materials sent from Poland. There is no house in Constantinople, but the Ambassador has a summer villa at his disposal on the Bosphorus. (Written in 1936.)

Roumania.

M. Alexandre Télémaque presented his letters as Roumanian Minister on the 29th December, 1936.

He is a vivacious and intelligent person, and a considerable addition to Angora society, in which he is famous as a dancer who can be deterred by neither hours, crowds nor climate.

His attitude towards the United Kingdom is very friendly. He seems popular with the Turks, but I fancy they regard him as rather a light-weight.

Soviet Union.

M. M. Karski presented letters as Soviet Ambassador on the 1st June, 1937, in succession to M. Karakhan, who has since been executed during a Soviet "purge." M. Karski, in his turn, stayed in Angora only about a fortnight and then returned to Moscow, where he is said to be in disgrace.

Spain.

*Sr. Ricardo Begona y Calderón presented on the 30th May, 1933, the letter nominating him Chargé d'Affaires of Spain in Turkey. He has made an effort to spend more time in Angora than his predecessors, but is a somewhat colourless individual, who has made little impression in any *milieu* in this country. (Written in 1933.)

*He did not, like many Spanish representatives abroad, resign his post as a result of the July 1936 revolution in Spain. (Written in 1936.)

Sweden.

M. Otto Wilhelm Winter, fully accredited Minister, presented his letters of credence on the 22nd November, 1934.

M. and Mme. Winter are generally liked here; they are pleasant, straightforward, simple-living people.

There has been little in this post to test M. Winter's abilities. There doubtless will be in his next post. He has been transferred as Minister to Moscow, and will shortly proceed there.

I have found him very friendly and agreeable.

Switzerland.

M. Martin, having been raised to the rank of Minister, presented his credentials as such on the 11th November, 1928.

It was said of a well-known pre-war Austrian Ambassador that he spent half his time in trying to persuade those around him that he was an Englishman, and the remainder trying to persuade himself. About the same might be said of M. Martin. His clothes, his tastes, his language, his interest in games, sports, horses and dogs are too English to be true.

Naturally, then, he is friendly to England. Under the English veneer there is a not very important man, yet cultured, with quite good taste as a collector, hospitable, sociable and susceptible. It would be really unkind to rebuff him; it would be incautious to place much reliance in him. But he is quite an agreeable and a very reasonably well-informed colleague.

He is shortly leaving Angora on appointment as Swiss Minister at Warsaw.

United States of America.

*Following on the retirement of Mr. Robert P. Skinner, the post of United States Ambassador has been filled by Mr. John van Antwerp MacMurray. He presented his credentials on the 16th March, 1936. Mr. MacMurray came from the post of United States Minister to the Baltic States, and he had previously been Minister in Peking, where, I believe, his relations with his British colleague were all that could be desired. United States interests in this country are not very considerable, and the post of American Ambassador must necessarily be one rather of observation than of great diplomatic activity, the principal interests being economic rather than political. My impression, formed by a longish experience in diplomatic duties, is that Mr. MacMurray will discharge his functions with dignity and efficiency. His attitude towards me myself has been most friendly from the outset; I have had no difficulty in quickly establishing

with him friendly and cordial personal relations, and I gauge him to be a man straightforward in his methods of thought and honourable in his dealings. I judge him also to be a sincere friend of England and a sincere admirer of the moral weight that England carries in the counsels of the nations. Mr. MacMurray is accompanied by a wife and daughter. (Written in 1936.)

Mr. MacMurray has been absent from Angora since the spring of 1937, having been recently employed on a mission in the Philippines. It seems doubtful whether he will return to Turkey. I shall regret it if he does not.

Yugoslavia.

M. Branko Adjemovitch presented his letters as Yugoslav Minister on the 18th October, 1937.

M. Adjemovitch came here from a consular post. He and his wife are agreeable and unassuming, and seem well-disposed. There has been no opportunity as yet to judge of his abilities.

Representatives not Resident in Angora.

Ethiopia.

There has been no Ethiopian representation in Angora in 1937.

Finland.

*M. Onni Talas, fully accredited Minister, presented his letters of credence on the 17th October, 1934. He is also accredited to Budapest, Belgrade and Sofia, and has so far made only one short appearance in Angora.

From the little I have seen of him, I have found him elderly, agreeable and friendly. (Written in 1934.)

Lithuania.

*M. Jurgis Baltrusaitis, fully accredited Minister, presented his credentials on the 20th May, 1932. He left almost immediately, and has not since reappeared in Turkey, where he has no Legation and practically no interests. He is also Lithuanian Minister in Moscow. (Written in 1932.)

*M. Baltrusaitis came to Turkey from Moscow in 1933 for the celebrations in connexion with the tenth anniversary of the republic. He travelled here with the delegation representing the U.S.S.R. at the celebrations and returned with it. He did not remain long enough at Angora to become generally known, but was communicative and friendly to His Majesty's Embassy. (Written in 1933.)

Mexico.

*M. Manuel Pérez Treviño, fully accredited Minister, presented his letters on the 28th October, 1935.

M. Treviño is Mexican Ambassador at Madrid, where he resides, and the Legation at Angora is in charge of a secretary.

*I have not been able to make M. Treviño's acquaintance. He left for Madrid immediately after the presentation of his letters, thus rendering impossible any exchange of visits. (Written in 1935.)

*The Chargé d'Affaires, M. Francesco Ortiz Monasteiro, mostly resides in Istanbul. He is a bachelor, and his mother, who is of English origin, lives with him. He is a sufficiently agreeable young man, and plays a certain part in the social life of the place. (Written in 1936.)

[E 504/84/65] No. 5.

Sir P. Loraine to Mr. Eden.—(*Received January* 26.)

(No. 2. Saving.)
(Telegraphic.) *Angora, January* 20, 1938.

MY despatch No. 756 of the 27th December.

Turkish Grand National Assembly ratified the Pact of Sa'adabad on the 14th January.

(Repeated to Bagdad, No. 1, Saving; Tehran, No. 1; and Kabul, unnumbered.)

[E 636/636/44] No. 6.

Sir P. Loraine to Mr. Eden.—(Received February 3.)

(No. 47. Confidential.)

Angora, January 28, 1938.

Sir,

I HAVE the honour, with reference to my despatch No. 3, Confidential, of the 1st January, 1937, to transmit to you the accompanying notes on leading Turkish personalities.

2. It will be observed that in most cases the newly adopted surnames have now been ascertained. In view of the fact, however, that the Turks are still known to each other by their former names, I have thought it advisable to retain the same alphabetical arrangement as in previous years, leaving the new surnames within brackets, and to add, for purposes of reference, a list showing the new surnames, where they have been ascertained, in alphabetical order.

3. Three new biographies are added, that of Dr. Hulusi Alataş, the new Minister for Health, and those of Mme. Esma Nayman and Mlle. Afet, two of the women who play an important part in Turkish public life.

I have, &c.

PERCY LORAINE.

Enclosure in No. 6.

Notes on Leading Turkish Personalities.

1. *Abdulhalik (Renda).*

Born at Yanina about 1870. Belongs to a family of Albanian Tosks. Educated at Yanina and at Mülkiye College, Constantinople. In 1908 appointed member of the Council of State. Uncle by marriage of the late Talat Pasha. In 1910–11, Vali of Skoplje (Üsküp). 1914–15, Vali of Van. For a short period in 1915 was Under-Secretary for the Interior. 1915–16, Vali of Bitlis, and 1916–17 of Aleppo. Again became Under-Secretary of the Interior, holding post until the armistice. Arrested in May 1920 and deported to Malta on charge of atrocities committed at Aleppo during the war. Learnt to play tennis and bridge at Malta. In 1923 was Vali of Smyrna, when he got on well with Europeans. In July elected Deputy for Çankiri. In January 1924 succeeded Hasan Fehmi Bey as Minister of Finance, and held post till March 1925. Resigned on fall of Fethi Bey and became director-general of the Agricultural Bank and chairman of the Parliamentary Committee of Finance. In July 1926 became Minister of Finance. He soon showed himself aware of the weakness of Turkey's financial position abroad, and visited Europe in the summer of 1927, when he was identified with an arrangement for the settlement of the "coupons" question. In September he was re-elected Deputy for Çankiri, and in November, on the reconstruction of Ismet Pasha's Cabinet, became Minister of National Defence and Acting Minister of Marine. The latter post was subsequently merged in the former, which he retained in Ismet Pasha's Cabinet as reconstructed in September 1930. Succeeded Saracoğlu Şükrü Bey as Minister of Finance in December 1930, and retained his portfolio in Ismet Pasha's new Cabinet, May 1931. Resigned, February 1934, on account of ill-health, and in April was elected president of Parliamentary Group of People's party. Elected President of Grand National Assembly, March 1935, and again in November 1936 and 1937.

Abdulhalik knows Greek and speaks fair French. He owed his early advancement to his relationship with Talat Pasha, though he was never a prominent Unionist figure. Though not possessed of brilliance, he has considerable administrative capacity, and enjoys a reputation for scrupulous honesty —a virtue which was as acceptable at the Ministry of Finance as in that of Defence, where peculation in connexion with munitions contracts had previously been rampant. Is essentially a moderate, and was the only member of the Cabinet to observe the Ramazan fast. Is a keen gardener, a good bridge player and agreeable in conversation. Was much liked by representatives of foreign business firms seeking contracts.

2. *Abidin (Özmen).*

Graduated from the Mülkiye (Civil) School in 1911, and was for many years Civil Inspector and Vali at various places, including Antalya. Appointed Vali of Brusa in June 1933. Elected Deputy for Aydin in May 1934, and appointed Minister of Public Instruction (now called "Kültür") in July. Later, on adopting a surname as required by law, dropped the first two syllables of his name, which was previously Zeynelabidin. Re-elected Deputy for Aydin in February 1935. In June resigned Ministry of Education and appointed First Civil Inspector-General.

Little is known of Abidin's personality, except that he looks gross and stupid. He was a complete failure as Minister of Education, but may be a good administrator.

3. *Afet, Mlle.*

Born about 1900. Eldest adopted daughter of Atatürk. Of recent years she has been a sort of unofficial personal adviser to the President of the Republic in cultural matters. Received a (probably somewhat superficial) training in archæology and ancient history abroad, chiefly at Geneva at the hands of Professor Pittard, an anthropologist of international, though slightly dubious, reputation. Is part-author of the *Turkish Official History* and vice-president of the Turkish Historical Association, the chosen instrument of the President of the Republic for much of the work of re-creating Turkey's historical background. She presided ably in September 1937 over an historical congress attended at Istanbul by leading scholars from a number of foreign countries, and has attended learned gatherings abroad.

Bayan Afet is agreeable in manner, neat in appearance, and (by all accounts) purposeful and efficient in her work. She is very close to the President of the Republic (whom she habitually accompanies wherever he may reside) and enjoys his confidence in matters ranging considerably beyond the strictly cultural sphere.

4. *Ahmet Ağaoğlu.*

Born about 1864 in Russian Azerbaijan. Son of an Islamised Caucasian Jew. Educated at Moscow, and started life as a journalist. Became an *agent provocateur* to the Russian Secret Service, and organised Armenian massacres at Baku in 1904. In 1903–5 published two newspapers in Baku, but then fell into disgrace; went to Turkey and became a Turkish subject in 1908. Threw in his lot with the Committee of Union and Progress. Later, published a pro-Russian paper in Turkish, and became editor of the *Tercumani Hakikat*. In 1916 became Minister of Education, and at this time was noted for his anti-British articles. Took a part in organising the Armenian massacres. In 1918 received £T. 100,000 from the Committee of Union and Progress funds. 1919–21 interned at Malta, where he learnt some English. In June 1921 he became director of the Press Bureau at Angora, and from then onwards was a close friend of Mustafa Kemal. Was, in the past, the chief worker for closer Russo-Turkish relations, often by means of editorial articles in the officially-inspired *Hakimiyeti Milliye* of which he was one of the editors.

In the 1923–27 Assembly he was a member of the Executive Bureau of the People's party and of the Foreign Affairs Commission, as well as reporter of the Constitutional Commission. Was re-elected Deputy for Kars in September 1927 and in November became a member of the party's Executive Bureau and of the Constitutional Commission. Resigned from the People's party in August 1930 to join the new Liberal Republican party founded by Fethi Bey. Was not re-elected at the general election of April 1931, and in October was appointed professor (history of law) in the University of Constantinople, whither he removed with his family from Angora.

Ağaoğlu is a short man with heavy eyebrows and dark glasses. He recalls the storied one-eyed mule of hideous aspect, but that aspect is benignant, and in his riper years tends to belie the lurid record of his youth. He was the "character" of the Grand National Assembly, and loves nothing so well as a joke, even at his own expense. He was seen occasionally in Angora society accompanied by his blue-stocking, English-speaking daughters, who are no more attractive in appearance than their father. Speaks Russian, French, Persian and Turkish. Since the summer of 1926 his articles had become less hostile to Great Britain, and, in conversation, he delights to expatiate on the charm of English life, particularly as led at Oxford.

5. *Ali (Ceytinkaya).*

Born about 1875 at Afyon Karahisar. Educated at the Constantinople Military School. Commanded a battalion at Çatalca during the Balkan war, and served in the Great War as a colonel. Organised resistance to the Greeks at Ayvalik in 1919. Was elected a Deputy for Constantinople in December, and remained there to attend the debates till March 1920, when he was deported to Malta. Released a year later, he at once took his seat in the Angora Assembly. After his re-election in 1923 he became one of the chief organisers of the People's party, and in November 1924 was elected vice-president of the executive bureau of the party, a position which he still fills. In March 1925 he was appointed president of the Angora Independence Tribunal; soon afterwards shot with impunity a fellow Deputy in the Chamber, and unconcernedly passed death sentences till the Independence Tribunals were abolished early in 1927. 1925–27 was president of the Defence Commission of the Assembly, and in November 1927, on his re-election as Deputy for Afyon Karahisar, became a member of the Budget Commission. Appointed Minister of Public Works, February 1934. In the summer of 1937 he undertook a tour of inspection in Sweden, Denmark and Germany. He retained his post on the formation of Celal Bayar's Cabinet in October 1937.

Ali, known as the "bald-headed," is a curious phenomenon, for, in spite of his record, he is attractive. Until recently only spoke Turkish, but for some years has been studying English, which he speaks haltingly, but reads with a certain facility. He has an engaging smile, and was once very aptly described by a British visitor to Angora as resembling "a benevolent Scotch elder." During the summer of 1927 rumour was busy with his name as a possible successor to Ismet Pasha. It is doubtful if he could have filled the bill, though his surprising honesty could not have failed to be an asset. He is not a conversationalist. As Minister of Public Works has taken up truculent attitude towards foreign concessionary companies, which he has been endeavouring, with considerable success, to force to sell out on terms favourable to the Government.

6. *Ali (Türkgeldi).*

Born about 1885, a diplomat *de carrière*. In 1925 he was Chargé d'Affaires at Sofia and in 1926 counsellor at Berlin. He then served in Rome and in 1927 returned to Angora as Director of the Balkan Section at the Ministry for Foreign Affairs. Appointed Chargé d'Affaires at The Hague in 1928 with the rank of counsellor (first class), and in 1929 Minister at Rio de Janeiro. In 1935 he was at the Ministry as head of a Department, and in the autumn became Acting Secretary-General. In December 1936 he was appointed Minister in Albania

Ali Türkgeldi belongs to a good Turkish family. His father held high offices at the Sublime Porte and Palace under the old régime. He is a friendly and capable official.

7. *Ali Cenani.*

Born about 1880 at Ayintap (Gazi Antep), which he represented in the Constantinople Parliament, being for a time reporter for the budget. Was deported to Malta in 1919 on a charge of complicity in the massacres of Armenians at Ayintap. On being released he joined the Kemalist movement, and was Deputy for Ayintap from 1921 to 1931. In November 1924 became Minister of Commerce. In 1925 his commercial legislation showed that he was leading the ultra-Nationalist movement against Christian employees and foreign capital. In May 1926 he resigned owing to reported differences with the Minister of Finance. He nevertheless continued to the influential, and for two years was the chief Turkish delegate for commercial negotiations with foreign countries, being responsible in particular for the Turco-Russian Commercial Treaty of March 1927. Became reporter of the Budget Commission in November 1927, but fell from grace early in 1928, when he was tried by the High Court for a misuse of public funds while Minister of Commerce. Was heavily fined, but his sentence of imprisonment was commuted. After reappearing in influential circles, left Turkey for Damascus in mysterious circumstances in December 1929. Though reported to owe £T. 100,000 to the Turkish Government, he once more reappeared at Angora, where his past seemed in a fair way to being forgotten, but he was not re-elected at the general election of April 1931.

Ali Cenani was for long the leading business man in the Ayintap area, and in business circles was considered honest and go-ahead. Much of his

property is now in Syria, and he has frittered away most of his considerable wealth. He is a poor speaker, of jaundiced appearance, and has been described as active, resourceful and wily. He plays a vigorous, but not very good, game of bridge. His two daughters have received an American college education, and his son, who is in the diplomatic service, was educated at the English High School in Constantinople.

8. *Ali Fuat, General.*

Born in Constantinople in 1882. Grandson of the renegade German who was Turkish delegate at Berlin Congress. Graduated from the military school in 1905. 1908–11, military attaché at Rome. During the war fought on the Caucasus and Palestine fronts. Was one of the first Turkish generals to join the Kemalist movement, and was one of Mustafa Kemal's most trusted leaders until his tendency to take an independent line in the field led, late in 1920, to his appointment as Kemalist Ambassador at Moscow, where he was chiefly instrumental in securing the signature of the Turco-Russian Treaty of March 1921. Was recalled in April 1922 owing to an incident in the Embassy in Moscow, and resumed his military command. In 1923 was elected Deputy for Angora and Vice-President of the Assembly. Later became inspector-general at Konya, but resigned his post in October 1924, by which time he had become completely associated with the Rauf–Adnan–Refet Opposition group. In November he resigned from the People's party and became secretary-general of the new Progressive party. In 1926 was arrested and tried at Smyrna for participation in the alleged plot against Mustafa Kemal, but was acquitted. His reception by the President in November 1926, and again early in 1927, gave rise to a rumour that Ali Fuat was returning to the Kemalist fold, but this was not confirmed, and he ceased to be a Deputy in September 1927. Lived in retirement until June 1933, when he stood as independent candidate for Konya, with the Gazi's full approval, and was unanimously elected Deputy, Ismet Pasha having issued a manifesto to the electors praising Ali Fuat for services rendered to the national cause, and declared he had "followed the same path as the Gazi." Since re-election has taken little or no part in parliamentary life.

General Ali Fuat has a reputation for honesty. During the war was not on good terms with the German commanders, and during the armistice period was believed to be violently anti-British, but he was on good terms with the British mission in Moscow.

9. *Ali Sait (Akbaytuğan), General.*

Born near Bandirma (Panderma) in 1874, of Circassian origin. Graduated from the Military College in 1898, and held several minor staff appointments till 1907, when, with the rank of major, he was sent to the Yemen. Returned to Constantinople in 1909, and in 1913, during the Balkan war, was in charge of the lines of communication. Was then for a time control officer on the Anatolian Railway until January 1914, when he was promoted colonel and posted to Sanaa, in the Yemen, where he remained until some time after the 1918 armistice, when he was finally induced to surrender to the British authorities at Aden, whom he had fought for four years, during most of which he was out of touch with his Government. Interned in Egypt for a short time, Ali Sait Pasha, who had now been promoted general, returned to Constantinople early in 1919 and was Military Governor of the capital till March 1920, when, on the occupation of the town, he was deported to Malta. Immediately after his release in October 1921 he joined Mustafa Kemal, and in the following year he succeeded Kâzim Karabekir Pasha as General Officer Commanding the Eastern Army. In October 1924 he was appointed Inspector-General of the First Army Area, and later of the Third Area. Was promoted to be a general of the first class in August 1927. Relinquished his inspectorate and was appointed member of the Supreme Military Council in September 1935. Elected Deputy for Kocaeli in November 1937.

General Ali Sait is pleasant, courteous and has a well-modulated voice. Was probably at one time decidedly pro-British, and still is, as he says, "in the interests of his country," but he chooses to forget rather than to forgive his treatment at British hands. Not a strong personality. He is interested in Iraq oil to such an extent that on an Angora ball-room floor he produced to a member of the Embassy a largish map, on which the position of his wells was clearly

shown. Speaks a little English, a consequence of Malta, where he also learnt to play tennis. Both he and his massive wife used to be very popular in Angora society, but, when the attendance of military officers at social functions was vetoed in March 1928, they transferred their domicile to Constantinople.

10. *Asim (Gündüz), General.*

Born about 1882 in Constantinople. Passed out of Military College in 1902 with rank of staff captain, and was attached to the Imperial Guard. From 1907 to 1909 served on staff of Monastir division. In 1909 appointed to General Staff. Pursued a course of military studies in Germany from 1912 till January 1915, when on his return he was attached to Turkish General Headquarters, remaining there till end of war. Again in Germany 1918–19. In November 1920 became chief of the Intelligence Section of the General Staff, but soon after threw in his lot with the Nationalists and became Chief of Staff to Fevzi Pasha. In November 1924 became General Officer Commanding the IXth Army Corps, in August 1926 was promoted Divisional General and later commanded the 7th Corps. In October 1928 was appointed sub-chief of the Turkish General Staff. Went to Bucharest and Belgrade in November 1935 to take part in consultations regarding military commitments arising out of the Balkan Pact.

General Asim is a tall, dark man of slight build and has a very pleasant manner. He has the reputation of being hard-working, strict, accurate and given to great financial economy. He got on well with his German superiors during the war, speaks German well, and knows some French.

11. *Behiç (Erkin).*

Born about 1880. An ex-colonel. In 1924 was chief administrator of the Anatolian Railway, a post in which he showed considerable ability and energy. In December 1925 became a Deputy for Constantinople and a month later Minister of Public Works. As a Minister he was a pronounced success, and showed great capacity in organising the existing railways and in dealing with the somewhat grandiose construction schemes of the Government. Resigned October 1928, nominally on grounds of ill-health, and was immediately afterwards appointed Minister at Budapest.

12. *Cafer Tayar, General.*

Born in 1883 at Prishtina, of poor parents. Educated by the charity of an Albanian, who sent him to the military school. Saw service in Macedonia, and in 1907 became a member of the Committee of Union and Progress. Served at the Dardanelles, and in 1918 had command of the forces in Northern Caucasus. Early in the armistice he showed himself violently anti-British, and formed a military organisation at Adrianople, with which, in 1920, he threatened to resist the occupation of the town by the Greek army. From then onwards was known as the hero of Adrianople, for which, since 1920, he had been the senior Deputy. In 1924 he commanded the troops in the Eastern vilayets, but his enthusiasm for Mustafa Kemal began to cool, and in October he resigned his military duties to take up those of a Deputy. In July 1926, along with Ali Fuat, Refet and Käzim Karabekir Pashas, was arrested and tried at Smyrna for participation in the alleged plot against Mustafa Kemal, but was acquitted, largely, it is understood, owing to the fear of the authorities of his influence with the army. Ceased to be a Deputy in September 1927, and since then has been little heard of. Was sharply attacked in the Gazi's lengthy review of the revolution in 1927.

Cafer Tayar is a strong patriot, just and honest, and, as a result of his Adrianople experiences, became violently Graecophobe.

13. *Canat, Ahmet.*

A diplomat *de carrière*, born about 1887. After serving in London, Vienna and elsewhere, became a Director in the Fourth Department of the Ministry for Foreign Affairs at the end of 1926. Appointed Chargé d'Affaires at Prague a year later. Counsellor, and Director-General of the Second Department of the Ministry, in 1929. Accompanied the Minister for Foreign Affairs to the European Union Conferences at Geneva in 1931, and in August of that year became Director-General of the First (British) Department of the Ministry. Was Acting Under-Secretary of State for Foreign Affairs in December 1931 and January 1932. In 1933 accompanied Saracoğlu Şükrü to Paris for public debt

and Ottoman Bank concession negotiations. Appointed Minister at Vienna in the autumn of 1934.

Ahmet Cavat, though insignificant in appearance and possessed of a squeaky voice, is a first-class man professionally, and has always shown himself friendly to His Majesty's Embassy. His wife, who is from Smyrna, speaks English fluently.

14. *Celal (Bayar).*

Born about 1880. Before the War of Independence was cashier in the Brusa branch of the Deutsche Orient Bank. Joined Mustafa Kemal at an early stage, and served with distinction in the Nationalist Army. In 1923 was elected Deputy for Smyrna, which he has represented ever since, and was appointed Minister of National Economy the same year. In March 1924 became Minister of Reconstruction (for the settlement of refugees) in Ismet Pasha's second Cabinet, but resigned in July to become Director-General of the Is Bankasi on the recommendation of the Gazi. In August 1928 went on a tour of the Turkish Black Sea ports to study the possibilities of that region and investigate the causes of its poverty. In November 1928 was elected member of the Foreign Affairs Committee of the Grand National Assembly, and again in November 1930. In December 1931 was elected vice-president of the Supreme Economic Council, and in January 1932 accompanied the Minister for Foreign Affairs to Tehran, to study Persian economic conditions with a view to the establishment of a branch of the Is Bankasi. In September 1932, at the height of the financial and economic crisis, finding his bank's operations hampered by the Government's exaggerated policy of State control of trade and industry, Celal went direct to the Gazi, with the result that he was appointed Minister of National Economy (a post of much greater importance than in 1923), in succession to Mustafa Şeref, to the great relief of the local business world, but the expectations then raised were not fulfilled, least of all where British trade was concerned. Went to Athens with Numan in May 1933, to negotiate commercial agreement (signed the 9th May) and establish cordial relations with Tsaldaris Government. In June accompanied Tevfik Rüştü to London as "second head" of the Turkish delegation to the Economic Conference. On this occasion visited also Paris and Berlin and negotiated "clearing" agreements with French and German Governments. In September 1937 he became Acting Prime Minister to allow Ismet Inönü a period of rest. The following month Ismet resigned, and Celal became Prime Minister (the 25th October).

Celal, who is married, has a straightforward and earnest character. He is generally reputed to be a man who may be relied on to carry out his undertakings, a reputation which can be fully endorsed by the Embassy's experience of him. A hard worker and abstemious, he prefers to spend his leisure out of doors, riding in Angora, or sailing in the Marmara, and is president of the virtually Anglo-Turkish Moda Yacht Club. He is an experienced banker and economist, but has little experience of foreign affairs. A bureaucrat rather than a politician, he enjoys nothing like the prestige of Ismet in the country.

He has always been, and still is, very close to Atatürk and may be expected to fulfil faithfully the rôle of eyes and ears of the Great Man. Pliant and supple where his own interests are concerned, it must be doubted whether he possesses the strength of character to stand up to Atatürk if he disagreed with some proposal or action of the latter. His qualities have not hitherto shown themselves to be those of a leader, but rather of a faithful subordinate, and he seems hardly of the calibre to manage a possibly unruly Cabinet. More time is needed to reveal his personality under the strain of his high office.

15. *Celal Nuri.*

Born about 1880. A journalist; manager of a Young Turk newspaper in Constantinople in 1906. Expelled shortly after, and only returned after the Constitution, when he began to publish his paper, *Heri*, which continued to appear till 1925. Was subventioned by the Germans during the war. In the early armistice ran his paper as a Kemalist organ until he was deported to Malta in March 1920. Shortly before, he had been elected Deputy for Gallipoli. Was released in March 1921 and at once took his seat in the Angora Assembly. Has since been a member of the Constitutional Commission of the Assembly, in 1922 being president, reporter in 1923 and secretary in 1930. During the constitutional crisis in March 1924 he was a warm supporter of the proposal to accord

dissolution and veto powers to the President of the Republic, but the proposal was defeated. In September 1927 was elected Deputy for Tekirdağ (Rodosto) and in November, while still retaining membership of the Constitutional Commission, became reporter of the Drafts Commission of the Assembly. Re-elected Deputy for Tekirdağ in April 1931. Founded the *Yilmaz* newspaper, but disclaimed responsibility for it when it began attacking the Government in June 1931 and was subsequently closed down. Not re-elected Deputy in the general election of 1935.

Celal Nuri is something of an intellectual, clever and an intriguer. He is supposed to have Communist leanings, but was for some time chiefly active in an anti-Greek campaign nominally on behalf of Turkish non-exchangeables.

16. *Cemal Hüsnü.*

Born about 1887. An ex-officer. Was Deputy for Gümüşane 1925-30. 1927–28 was reporter of Assembly Commerce Commission, and became a member of the Foreign Affairs Commission. In March 1928 became chief Turkish delegate for the exchange of populations, and in November of the Foreign Affairs Commission of the Assembly. Appointed Minister of Education in April 1929, and Minister at Berne in September 1930, when he resigned his deputyship. Was member of Turkish delegation to Disarmament Conference in January 1932, and on subsequent occasions. In 1936 he resigned from his post at Berne, and it was believed that his Government disapproved of his conduct at the meeting of the representatives of the Little and Balkan *Ententes* at Geneva in March. He was elected deputy for Bolu, and in October he left for Tehran as head of a Turkish mission to discuss matters of residence, frontiers, customs and extradition, which resulted in the conclusion of eleven treaties and conventions after more than six months' negotiations.

Cemal Hüsnü is pleasant to talk to, speaks fair French and plays a fair game of bridge. He is, however, very impetuous, and on several occasions nearly torpedoed the Greco-Turkish negotiations. Is unmarried.

17. *Cemil (Uybadin).*

Born about 1885. Has followed a military career. About 1906 was commandant of the garrison at Salonica, and at that time saved Mustafa Kemal from arrest by Abdulhamid's secret police. During the armistice, when he held the rank of staff lieutenant-colonel, was in command of the defence forces against the Greeks at Catalca. In July 1923 elected Deputy for Tekirdağ (Rodosto). In May 1924 appointed general secretary of the People's party, and in January 1925 became Minister of the Interior. Though for a time he did well and exercised considerable influence, his position became weakened early in 1927 owing to alleged irregularities in connexion with Government contracts, and, though re-elected Deputy in September, he ceased to hold ministerial rank on the reconstruction of Ismet Pasha's Cabinet in November 1927. In the same month he became a member of the Foreign Affairs Commission. Re-elected Deputy for Tekirdag in February 1935. Is one of the two vice-presidents of the People's party and chairman of the Internal Affairs Commission.

Cemil is reserved and intelligent, and speaks only a little French.

18. *Cemil (Bilsel), Professor.*

Born about 1880. Has followed a legal career and specialises in international law, on which he is now the recognised Turkish authority. Was chief adviser to the Turkish delegation before The Hague Tribunal in 1927 in connexion with the "Lotus" incident, in which judgment was given in favour of Turkey. From 1922 to 1924 was one of the chief movers in a Turkish association for supporting the League of Nations, and in October 1924 attended the congress of League of Nations Societies in London. In 1931 was appointed member of the Permanent Conciliation Commission formed in accordance with the arbitration treaty with Germany of 1929. Was also appointed member of The Hague International Permanent Arbitration Court. At the end of 1932 took a leading part in founding the Turkish branch of the League of Nations Union. Appointed rector of Istanbul University in summer of 1934.

Professor Comil is quiet, reserved and almost entirely absorbed in his studies. His family have received a European education. Is a keen gardener. Somewhat brusque of manner. Speaks French.

19. *Cevat, General.*

Born in Constantinople in 1873. Educated at the Galata Saray School and at the military school. In 1893 aide-de-camp to the Sultan. Later, sent to Germany to complete his military studies, and on his return secured rapid promotion owing to his father's influence at the palace. In 1913 appointed General Officer Commanding the Dardanelles Defences, and was in command of the Palestine army at the time of the Turkish collapse in 1918. In November 1918 became Chief of the General Staff, and in December was Minister for War. Obstructed the Allies during the early armistice, and from the first was one of the strongest and cleverest of the Nationalist supporters in Constantinople. From October 1919 till January 1920 was again Chief of the General Staff. In March 1920 was arrested and deported to Malta. Released in October 1921, he at once proceeded to Angora, and in January 1922 was given the command of the Turkish troops near the Iraq frontier. Elected Deputy in July 1923, he took no part in the proceedings of the Assembly, having in the meantime been appointed Military Inspector-General in the Eastern Provinces. In October 1924 was in supreme command of the Turkish forces on the Iraq frontier when the *status quo* difficulty arose. Later in the month he resigned from his military duties, in order to take up his deputyship. Resigned from the latter two months later. In January 1925 was attached to the Iraq Frontier Commission in the capacity of assessor, and showed himself petulant and irascible. In September and December was attached to the Turkish Mosul delegation to Geneva. In April 1926 became a member of the Supreme Military Council, and in August was promoted to the rank of general of the first class. In November 1930 went to Geneva as military adviser on Turkish delegation to Preparatory Disarmament Conference, and subsequently attended the Disarmament Conference in the same capacity.

General Cevat knows French and German well. Is very Germanophil and something of an opportunist. Has good manners, is well educated and a capable administrator. He is old-fashioned, drinks little and says his prayers, but was stated to be jealous of Mustafa Kemal, who served under him at the Dardanelles.

20. *Cevat Abbas (Gürer).*

Born about 1890. Early in 1919 became aide-de-camp to Mustafa Kemal, and at the same time was elected Deputy for Bolu. Had control over the activities of the Nationalist secret agents throughout 1920. In July 1921 went on a mission to Bulgaria with a view to organising trouble in Thrace, and in December became unofficial Kemalist representative at Sofia. He returned to Angora early in 1922, and in the autumn was one of the instigators of the Turkish insurrectionist movement in Western Thrace directed against Greek rule. In 1923 was re-elected Deputy for Bolu, and at the end of the year there was much talk and intrigue in regard to his proposed definite appointment as Turkish Minister at Sofia. In 1924 was president of the Turkish Aeroplane Association, in the interest of which he showed great activity. Was re-elected Deputy in September 1927, April 1931 and February 1935, and since November 1927 has been a member of the Foreign Affairs Commission of the Assembly. In December 1931 became deputy chairman of board of directors of Turkish company exploiting notorious drug factory, since closed down, at Kuzguncuk on the Bosphorus. Maintains close contact with the President of the Republic, and was chosen to convey Ataturk's wedding gifts to King Farouk in January 1938.

21. *Edip (Tör).*

Born at Constantinople in 1879. Son of Servet Pasha. Left the military college in 1898. Served with the Salonica army and in Thrace till he entered the Staff College in 1909. In 1911 was attached to the Yanina Regiment, and in 1913 promoted major. Held a staff appointment during the Balkan war, and was on the military staff of the Turkish delegation to the 1913 Peace Conference in London. Later in the year was for a few months chief aide-de-camp to the heir apparent. Served during the Great War at the Dardanelles, in the Caucasus and in Palestine, and in 1917 was director of the Military Press Bureau. In March 1918 was a member of the Turkish mission sent to Roumania to conclude peace. During the armistice was a member of the Armistice Commission and director of Prisoners of War Section, and joined Mustafa Kemal in June 1920. Was afterwards chiefly engaged in arranging the supply of munitions, and in 1922 was for a time member of the Turco-Syrian Frontier Delimitation

Commission. In November became Military Commandant of Constantinople and Acting Governor of Pera. In November 1925 became Deputy for Constantinople. In 1926 he represented Turkey at the Islamic Congress at Mecca, and made history by appearing in a bowler hat. In 1927 was a member of the Foreign Affairs Commission, and is now a member of that for Economic Affairs. Elected member for Gümüşane, May 1931 and again in February 1935. In April 1933 was Turkish delegate to the International Parliamentary Economic Conference at Rome. Is a leading member of the board of the Iş Bankasi and Balya Karaydin Company, and was grand master of the Angora Lodge of Freemasons until the suppression of freemasonry in Turkey in 1935.

Edip is short, stout and jovial, with a face like the rising sun. On the rare occasions when, in the early hours, it has approached its zenith, he shows a taste for opera and old Turkish songs, and has a good voice. Though not involved so deeply in politics as are his companions, he is in great favour with the President of the Republic, and influential. Is an intimate friend of Saffet (*q.v.*). While not appearing bright, he is shrewd and sharp, and probably does more hard thinking than any of the coterie. Speaks French, Italian, Russian and German. Is hospitable, with a naïve courtliness of manner and a passion for doing things right and urging his friends to do likewise. Is perhaps the most popular Turk in Angora.

22. *Enis, Mehmet* (*Akyüz*).

Born about 1887. From 1907 until the Great War was an official of the Ministry of Interior. Became vice-consul at Ancona during the war, and in 1925 was counsellor at Moscow. In 1926 became Director-General of Political Affairs at the Ministry for Foreign Affairs, in October was given the rank of Minister and in November 1927 became Under- Secretary for Foreign Affairs. Appointed Minister at Athens in 1929 and Ambassador at Tehran in the summer of 1934.

Enis is pleasant and capable. In spite of indifferent health, he for some time carried the entire burden of the Foreign Ministry, and was universally liked by all who came in contact with him. Is straightforward and honest. The organisation of the Foreign Ministry out of complete chaos was due almost entirely to him, and his departure was generally regretted by the foreign diplomats at Angora.

23. *Ercüment Ekrem.*

Born about 1888, the son of Reşat Ercüment Bey, the Turkish poet. Appointed secretary at the Turkish Legation at Athens. Was recalled by Abdulhamit on suspicion of intriguing with disloyal elements. Later appointed to Bucharest. Was Mayor of Pera during the armistice. In 1923–24 was Director of Press in Angora. In March 1924 became private secretary to President of Republic, but fell foul of the President's wife, and in April became Assistant Prefect of Constantinople. Was dismissed in August, and remained unemployed till September 1927, when he again became Director of Press at Angora until appointed (July 1931) counsellor at Warsaw, to act temporarily as Chargé d'Affaires.

Ercüment Ekrem is a short, stout man of a disagreeable type. He is certainly clever, but not at all to be trusted. Speaks fair English.

24. *Esat* (*Saygi*).

Born in Verria (Macedonia) in 1874. Educated in the Harbiye School and graduated in 1894. Gazetted to the Vth Army (Syria). In 1898 entered the Harbiye (Military) School, where he occupied different functions for twelve years. After the proclamation of the Constitution he proceeded to Germany in order to complete his studies. In the last phase of the Balkan war he was commander of the 93rd Regiment, and during the Great War commander of the 26th Division. He was pensioned at his own request when he was colonel and president of the military section (Harbiye Dairesi). Became afterwards chairman of the board of directors of a commercial venture, the Ordu Donanma Pazari (Army and Navy Stores), administrative counsellor of the telephone company, member of the Constantinople Municipal Assembly, and was elected Deputy for Brusa. He knows three foreign languages, and has occupied himself for many years with the study of pedagogy. Appointed Minister of Education in Ismet Pasha's Cabinet, September 1930, and retained the post in Ismet Pasha's new Cabinet, May 1931. Resigned September 1932 to make way for the more active and

zealous Reşit Galip Bey (since deceased), and was soon after elected a Vice-President of the Grand National Assembly. Re-elected Deputy for Brusa, but not Vice-President of the Assembly, in 1935.

25. *Esma* (*Nayman*), *Mme.*

Born about 1902. Deputy for Adana and one of the seventeen women members of the Grand National Assembly. Is married to a Turkish business man and combines an evidently harmonious domesticity with the political activity expected by modern Turkey of its feminine parliamentarians. She is an active member on committees of the Assembly, and has accompanied the Minister for Foreign Affairs on missions abroad.

With considerable charm of manner, an entirely emancipated outlook, wide culture and a command of the chief European languages, Esma Nayman is an excellent representative of the new Turkish woman of the ruling class.

26. *Fahrettin* (*Altay*), *General.*

Born at Constantinople in 1881. Educated at the military school, where he was a class-mate of Enver Pasha. 1909 in command of troops against the Kurds, near Dersim. Later became an active Committee of Union and Progress adherent and in 1910 chief aide-de-camp to the War Office. Held various staff appointments before becoming Under-Secretary for War in 1915. In 1916 commanded the Turkish division in Galicia, and in 1918 served on the Palestine front. In 1920 was a colonel in command of the Imperial troops at Konya. Joined the Nationalist cause in the summer of that year. Later in 1920 secured the command of the XIIth Army Corps, which he retained until the final success of the Turks over the Greeks. In 1923 was elected Deputy for Smyrna and became commander of the Vth Army Corps. In October 1924 resigned his deputyship on opting for military duties. In November 1924, on the resignation of Ali Fuat Pasha, became one of the three military inspectors-general, and in August 1926 was promoted divisional-general of the first-class, thus holding a higher rank than any of the Opposition Pashas. Was attached to the King of Afghanistan during the latter's visit to Angora in May 1928. On the 1st January, 1931, was appointed military commander of the district (Manisa and Balikesir) placed under martial law in consequence of the reactionary incident at Menemen. In June 1934 met Shah of Persia and accompanied him to Angora, and in October went to Persia as head of a mission to arbitrate on Perso-Afghan frontier dispute. Was attached to His Majesty King Edward VIII as guide to the Gallipoli battle-fields in September 1936.

General Fahrettin is a tall, well-built man and a good type. He has been described as a rough diamond, but is honest, and, next to Marshal Fevzi, probably carries most weight in Turkish military circles.

27. *Faik* (*Kurtoglu*).

Born about 1895. Formerly Turkish commercial representative in London and Brussels. In June 1933 he was a member of the Turkish delegation to the London Economic Conference. Became president of the Türkofis in 1934, and in November of that year Under-Secretary at the Ministry of National Economy. In January 1935 he was a member of the Turkish delegation to the Balkan Economic Conference, and in August 1936 he headed the Economic Mission to London which negotiated the Anglo-Turkish Trade and Payments Agreement. In the summer of 1937 he negotiated a new commercial agreement with Germany, and in December he led a Turkish delegation to Bucharest, resulting in a new commercial agreement with Roumania.

Faik Kurtoglu is knowledgeable, energetic and forceful, and apparently sincerely Anglophil. His judgment is sometimes warped by over impulsiveness and a tendency to self-glorification. His faculty for expressing himself and his ideas is rather deficient. This makes him seem sometimes more bone-headed than probably he actually is.

28. *Falih Rifki* (*Atay*).

Born in 1894 at Constantinople and educated at Galata Saray College, where he was later a teacher. Was secretary to Cemal Pasha in Syria during the war, after which he took up journalism and for a time wrote articles for the *Vatandjat Akyam*. In 1920 joined Mustafa Kemal and wrote for the Nationalist press.

Since 1923 has been Deputy for Bolu, and in the 1923–27 Assembly was secretary of the Foreign Affairs Commission. In the summer of 1927 he went to Rio de Janeiro as chief Turkish delegate at the International Parliamentary Congress, and returned deeply impressed by the advantages to be derived from an Anglo-Saxon, as opposed to a Latin, education. Throughout 1928 he continued to be in great favour, and in May was one of the Turkish delegates to the International Press Congress at Cologne. On his return he became president of the Commission for the Reform of the Turkish Alphabet, and, after the Gazi, has probably done more than anyone else to secure the general adoption of the new script. He was a former director of the Anatolian Agency. In September 1930 visited Moscow in the company of the Minister for Foreign Affairs, and in April 1931 went to Albania on a mission connected with Balkan Union. In 1933 was member of Turkish delegations to Disarmament Conference in Geneva and Economic Conference in London. Is one of the leading exponents of "new Turkish," in which he habitually contributes leading articles to the semi-official *Ulus*, of which he is editor. Elected Deputy for Angora in February 1935.

Falih Rifki is, at the same time, the youngest and the wildest of the President's boon companions. He is frank, has a fair knowledge of French, and is an ardent Westerner. Has tremendous driving power, but is a heavy drinker, and this and other excesses are unfortunately already beginning to tell their tale. An excellent bridge player.

29. *Ferit, Ahmet.*

Born at Brusa in 1875. Passed through Harbiye Military College in 1898 with rank of captain. Later went to Paris and studied at School of Political Science. Only returned to Turkey after 1908. Joined the Committee of Union and Progress and became Deputy for Kütahya. In 1910 joined the *Entente* libérale party, and was exiled by the Committee of Union and Progress in 1913 to Tripoli, where he met his future wife. He made his peace with Talat Pasha in 1915 and became consul-general at Kiev in November 1917. Recalled in December 1918, he resumed attacks on the Committee of Union and Progress. In 1919 was Minister of Public Works and of Finance under Damat Ferit Pasha. He resigned in July owing to his desire to reach an understanding with Mustafa Kemal. Joined the Nationalist cause in April 1920, was immediately elected a Deputy in the Angora Assembly, and soon afterwards became Minister of Finance. In September 1920 attended the Baku Congress and soon afterwards appeared rather pro-Bolshevik. In November 1921 was appointed representative of the Angora Government at Paris, which post he held till February 1923, when he was recalled because of certain offensive remarks made regarding the Allies. In spite of opposition in the Assembly, he became Minister of the Interior in October 1923. Was the subject of many attacks both in the Assembly and the press, but continued to hold the post till May 1924. Appointed Ambassador at London in June 1925. Was summoned to Angora in December 1930, with his colleagues at Paris and Berlin, to consult with the Government and the Gazi on the financial and general situation when it was rumoured that he would be appointed Minister of Finance in place of Saracoglu Şükrü Bey. This, however, did not materialise. Unexpectedly transferred to Warsaw in May 1932.

Ferit speaks good French and Arabic and a little English. A thorough opportunist and rather unscrupulous. Wife is attractive and helped him to make something of a success of the London Embassy.

30. *Fethi (Okyar).*

Born at Ohrid, Macedonia, in 1877. Graduated from military school in Constantinople in 1903 and saw service in Macedonia. Became an ardent Committee of Union and Progress adherent and took charge of Abdulhamit on the expulsion of the latter to Salonica. 1910–13, military attaché at Sofia, and 1913–17, Minister there. Was for a short time Minister of the Interior in autumn of 1918, and soon after was deported to Malta for political reasons. Released in April 1921 he proceeded at once to Anatolia and became Minister of the Interior. In July–August 1922 proceeded on a mission to Paris and London. In 1923 elected Deputy for Constantinople, and during two months was President of the Council of Ministers, which post he resigned on emergence of republican issue. In November became first President of the Assembly. In March 1924 was regarded as being identified with the Opposition when the question of the President's powers was under consideration. In May chief Turkish delegate

for Mosul discussions in Constantinople. Represented Turkey before the League of Nations in September and later proceeded to Brussels again in connexion with the Mosul question. Became President of the Council for the second time, and in November also held the portfolio of Defence. His period of office was marked by moderation, and he had the support of the Oppositionist Progressive party. In March 1925, on the outbreak of the Kurdish revolt, his Government fell because of his alleged lukewarmness in dealing with the rebels, and in the same month he was appointed Turkish Ambassador in Paris. Resigned his post in August 1930, when he reappeared in Turkey as the founder of a new political party—the Liberal Republican—with the full approval of the Gazi, probably even by his order. To facilitate his entry into the Assembly, was returned unopposed as Deputy for Gümüşane. Was obliged, by failure of presidential support, to dissolve his party in November, but retained the Gazi's friendship, and they were much together during the annual festivities at Angora, October–November 1931 and on subsequent occasions. Did not stand for re-election at the general election of 1931, and was living in retirement at Constantinople when, in March 1934, he was appointed Ambassador in London on the personal initiative of the President of the Republic.

Fethi has Mongol features. He is pleasant to talk to, speaks good French, and is essentially a moderate. He has an attractive English-speaking wife; his daughter is being educated at Oxford and his son at Cambridge. There is evidence that even from Paris he exercised no little influence at Angora, and a visit which he paid to the capital in 1928 had much to do with the Turkish acceptance of the Ottoman debt settlement.

31. *Fevzi (Çakmak), Field Marshal.*

Born in Constantinople in 1874. Graduated from the military college in 1898. Saw service in Macedonia. From then until 1913 held numerous staff appointments. During the war fought at Gallipoli, in the Caucasus and in Palestine, and was Chief of the General Staff 1918–19. In November 1919 was sent on a mission to Anatolia by the Constantinople Government and established relations with Mustafa Kemal. Held the portfolio of War in Constantinople Government during February and March 1920. He was throughout in close touch with Mustafa Kemal, and on his resignation he went to Anatolia and was at once appointed Minister for National Defence. Played a large part in building up the Kemalist army and in organising transport and the production of ammunition. In 1921 he became, for a time, a back number, but later re-established his position and became Chief of Staff. In 1923 was elected Deputy for Constantinople, and since then has been annually reappointed Chief of Staff. Resigned his deputyship in October 1924 on opting for military duties. In the autumn of 1927 was suffering from diabetes and went to Europe for a cure. Since then his health has much improved.

As Chief of the General Staff he went to Bucharest in November 1936 for the council meetings of the General Staffs of the Balkan *Entente*.

Fevzi Pasha had the confidence of Enver Pasha during the Great War, and later of Mustafa Kemal. Reputed to be a capable officer, especially in matters relating to administration. Regarded by Halide Hanim as a good soldier, but nothing more. Has considerable influence with the army. Was in his time a pan-Turanian as well as a pan-Islamist, and on the abolition of the Caliphate was regarded as the only rival of Mustafa Kemal, of whose manner of life he was understood strongly to disapprove. Was regarded as the leader of the war party at Angora during the Mosul crisis. Is somewhat old-fashioned and keeps his womenfolk secluded, but he is now seen more in public than formerly. Speaks a little French and is pleasant to talk to.

32. *Fuat (Ağrali).*

A son of Ethem Efendi, a former defterdar of Adrianople Vilayet. Was a finance official by profession and a keen Unionist in politics. Elected Deputy for Constantinople in 1926 and 1927. In November 1927 elected member of Finance Committee of Assembly, and a year later vice-chairman of Budget Committee. Resigned this position in January 1929 on appointment to presidency of Cour des Comptes. In November 1929 elected chairman of Budget Committee and member of executive bureau of People's party. Did not stand at the general election of 1931, but was returned at a by-election as Deputy for Elaziğ in October

1933, and was appointed Minister of Public Works shortly afterwards. Became Minister of Finance in February 1934 and retained his post in Celal Bayar's Cabinet (October 1937). Little is known of Fuat's personal characteristics, and even since his promotion to Cabinet rank he remains practically unknown to Angora society.

33. *Hakki Sinasi, General.*

Born at Constantinople in 1868, the son of a Foreign Ministry official. Studied first at the naval, and afterwards at the medical, school. Followed medical courses at Berlin, Heidelberg and Munich. While a doctor at the Hamidiye Hospital in 1904 was expelled to Anatolia. On his return in 1906 was reinstated with rank of colonel, and later promoted general. Retired in 1918, and from then till 1924 occupied himself with municipal affairs. In November 1924 became a Deputy for Constantinople, and was in 1927–28 chairman of the Public Health Commission of the Assembly. In September 1925 was Turkish Red Crescent delegate at the International Red Cross Conference at Geneva. In March 1928 became chief inspector of the People's party for Constantinople, and in the late summer mediated successfully in a Constantinople tramway strike. Elected a Deputy for Erzerum in April 1931, and for Constantinople in February 1935.

34. *Hamdi, Mehmet (Apak).*

Born about 1880. During the armistice was head of the Refugee Section of the Ministry of Interior in Constantinople. In 1923 was elected Deputy for Erzincan. In 1924 was assistant Turkish delegate for the exchange of Turco-Greek populations, and in 1923 became chief delegate on the appointment of Tevfik Rüştü Bey as Minister for Foreign Affairs. Negotiated the Turco-Greek Agreement of 1925, and in June was appointed Minister at Vienna. Transferred to Berlin as Ambassador in May 1934. Short and stoutish, Hamdi speaks French fairly well and is intelligent and moderate.

35. *Hamdullah Suphi (Tanriöver).*

Born at Constantinople in 1881. Educated at Galata Saray College. In 1901 entered Ministry for Foreign Affairs as a clerk. Remained there till 1908, occupying himself in writing poetry. After the Constitution continued his literary efforts, and was the founder of a society of young poets which developed into the Turkish Ojaks. In 1910 appointed Professor of Turkish Literature at the Constantinople University. Was for a time in opposition to the Committee of Union and Progress, but after the Balkan war was on good terms with the Unionists. Later became the leading propagandist of pan-Turanianism. Travelled in Germany during the war. In the early armistice was anti-British and pro-Italian. In April 1920 joined Mustafa Kemal at Angora. Later in the year was for a time head of the Kemalist Intelligence Service. January–April 1921, Minister of Public Instruction. In April became Vice-President of the Assembly, and occupied himself chiefly with the pan-Islamic Congress, then held in Angora. Was again Minister of Public Instruction during the latter half of 1921, and was one of the first of the Angora leaders to make a speech against the Sultan. In 1923 was elected Deputy for Constantinople and later president of the Turkish Ojaks, to which he devoted most of his time and energy. During 1923 was president of the Foreign Affairs Commission of the Assembly, and from March till December 1925 was again Minister of Public Instruction, resigning finally on grounds of ill-health. September 1927 re-elected for Constantinople, and became a member of the Constitutional Commission of the Assembly. In October 1930 went to Athens as a member of the Turkish delegation to the Balkan Congress. Early in 1931 the Turkish Ojak organisation was merged in that of the Popular party, to his great grief, and in April, not having been re-elected Deputy, he was appointed Minister at Bucharest.

Hamdullah Suphi is an idealist of the pan-Turanian school, and was the moving spirit of the Turkish Ojaks until their suppression. He is a keen moderniser. Is not possessed of means, and his honesty is above reproach.

36. *Hasan (Saka).*

Born in Trebizond in 1884. Said to be of Laz origin. Educated at Constantinople and in Paris, where, from 1909–14, he studied at the School of Political Science. During the war was head of the Economic Section of the Food

Supplies Directorate, and in December 1919 became Deputy for Trebizond. Joined the Kemalist movement in March 1920, and in May 1921 became Minister of Finance, holding the post until April 1922. By this time he was apparently very pro-Bolshevik in sympathy. From May till July 1922 Minister of Economics and Public Works. In November was appointed member of the Turkish delegation to the Lausanne Conference, when he acted as financial expert. In September 1923 was again Minister of Economics. In March 1924 Minister of Commerce, and in March 1925 again Minister of Finance, resigning in July 1926, ostensibly on grounds of ill-health. Continued, however, to play an important part in Turkish financial matters. Was re-elected Deputy in September 1927, and in November, when it was rumoured that he would re-enter the Ministry, he became first Vice-President of the Assembly. Was president of the Turkish delegation to the Balkan Congress at Athens, October 1930. In May 1931 went with the Minister for Foreign Affairs to Geneva to attend the European Union Conference, and while there attended also the International Conference for the Limitation of Dangerous Drugs. In October was president of the Second Balkan Conference, held at Constantinople, and in December was elected president of the Supreme Economic Council. Led the Turkish delegation to the Third and Fourth Balkan Conferences at Bucharest and Salonica in 1932 and 1933 respectively. In May 1934 headed delegation of Turkish Deputies to Budapest to return visit of Hungarian Deputies to Angora in October 1933. Re-elected one of the Vice-Presidents of the Assembly in November 1935, when he was also elected chairman of the Foreign Affairs Commission of the Assembly. Headed the Turkish delegation to the Balkan Economic Conference at Athens in March 1937, and was elected vice-president of the Interparliamentary Conference held at Paris in September 1937. Is one of the two vice-presidents of the parliamentary group of the People's party.

Hasan fancies himself as an expert in matters pertaining to finance. Knows French fairly well; is a man of private means, wily and has a sense of humour. Not attractive personality. Probably a bully, has been described as something of an "apache," and most nearly answers the description when playing bridge, which he does very well. Has a young and not unattractive wife.

37. *Hasan Fehmi.*

Born at Gümüşane in 1877. Educated at Constantinople, and from 1902 to 1910 held various posts in the Turkish Civil Service. In 1910 Governor of Gireson (Kerasund), and in 1912 of Komotini (Gümülcina), 1913–18 Deputy for Gümüşane. Joined Mustafa Kemal in April 1919. In 1920 Vice-President of the Assembly. In April 1922 was Minister of Finance. In 1923 elected Deputy for Gümüşane. August 1923 till January 1924 again Minister of Finance, resigning because of a dispute over the Anatolian Railway question. November 1924 till March 1925, Minister of Agriculture. December 1925, became one of the Government delegates on the board of the Ottoman Bank. Was re-elected Deputy in September 1927. In November of that year became chairman of the Finance Commission, and in November 1928 a member of the Constitutional Commission. Re-elected Deputy for Gümüşane in April 1931, and elected chairman of the Budget Commission in May. Elected President of Finance Commission in November 1933 and again in November 1934, but not in November 1935.

Hasan Fehmi is not regarded as a strong man, and during his occupation of ministerial posts was little more than a nominee of Mustafa Kemal.

38. *Hagdar, Ali (Aktay).*

Born at Philippopolis about 1885. Having completed his studies at Galata Saray College, he entered the Ministry for Foreign Affairs and remained there till 1911, when he became second secretary at Sofia. Attended the London Peace Conference in 1913 and then remained at Sofia until February 1919, when he returned to the Ministry. June–December 1919 was Director of Press, and in May 1920 became private secretary to the Minister for Foreign Affairs, retaining the post till the fall of the Constantinople Government in November 1922. Was a member of Turkish peace delegation to London in February 1921 and March 1922. Early in 1924 was a Turkish delegate for exchange of populations, and in August became first secretary in Berlin. In August 1925 was appointed Chargé d'Affaires at Stockholm, Oslo and Copenhagen. In November 1928 was appointed

Minister at Belgrade, and in the autumn of 1931 acted as Under-Secretary of State for Foreign Affairs in the place of Numan Bey. He returned to Belgrade in December 1931 and is still at that post.

Haydar is something of an intriguer and rather an opportunist, having tacked fairly successfully to the varying winds which have blown in Turkey during the last generation. He is, however, amiable and good-mannered, as well as able and intelligent. Strongly favours a close Bulgaro-Turkish friendship.

39. *Hikmet, Yusuf.*

Born in Constantinople about 1882. Educated at the Galata Saray College. Entered the Turkish Diplomatic Service and served as a secretary at Paris and Berlin. Returned to the Sublime Porte early in the armistice, but in 1920 went to Angora, where he at once became Political Director at the Foreign Ministry, and accompanied the Nationalist mission to Europe in 1922. In 1924 was counsellor in London, and in January 1925 again became head of the Political Section of the Foreign Ministry. In the summer of 1925 he became Minister at Belgrade, holding the post till November 1927, when he became private secretary to the President of the Republic. In July 1928 was appointed Ambassador at Kabul, where he has not been a success, but his position was made very difficult by the collapse of Amanullah and the consequent eclipse of Turkish influence. In 1930–31 went on tour in India, and on his return treated His Majesty's Minister at Kabul to animadversions on the laxity of British rule in that country. Became secretary-general to the Presidency of the Republic in the spring of 1932, and on resigning the post in October 1933 was elected Deputy for Manisa and soon afterwards appointed Minister of Education. Resigned this post in July 1934, ostensibly in order to devote himself to historical studies.

Yusuf Hikmet is short, dark, and somewhat insignificant in appearance. He is, however, intelligent. He has agreeable manners, and, in spite of slight deafness, was generally popular in Belgrade, where His Majesty's Minister found him pleasant to deal with. He might, nevertheless, turn out to be something of a mischief-maker. Is said to be a voracious reader and collector of news, without, however, the capacity of digesting or even appraising his material.

40. *Hilmi (Izmir).*

Early history unknown. Appointed Vali of Adana in 1925, and was soon afterwards fined by the Angora Independence Tribunal for failure to send certain witnesses from Adana to the capital. Later became local Popular party inspector. In September 1927 was elected Deputy for Adana, in October became a member of the executive bureau of the Popular party, and in November a member of the Internal Affairs Commission of the Assembly. Elected vice-president of this commission in 1928, reporter in 1929, and again vice-president in November 1930. In December 1930 succeeded Zekai Bey as Minister of Public Works, and retained his portfolio in Ismet Pasha's new Cabinet, May 1931. Resigned on account of ill-health in October 1933. Re-elected to Commission of Internal Affairs in 1934. Re-elected Deputy for Seyhan (Adana) in February 1935. Appointed a Vice-President of the Assembly in March 1937 and re-elected in October 1937. Is also president of a committee for spreading Turkish culture among the Arabic-speaking population of the Adana region.

41. *Hulusi (Alatas), Dr.*

Was for many years Mayor of Smyrna. In January 1936 he was elected Deputy for Aydin, and in March 1937 was appointed Parliamentary Under-Secretary for Health. On the formation of Celal Bayar's Cabinet in October 1937 he became Minister for Health in the place of Dr. Refik Saydam.

At Smyrna successive British consuls-general found him somewhat unbending and inclined to xenophobia in all questions at issue between him and them, and especially in the matter of the site of the consular premises in Smyrna. Dr. Alatas later became head of the Smyrna Port Monopoly, where British merchants, at least, found him helpful, although he did not please his own compatriots. He is a hard worker and has somewhat mellowed with time and the acquisition of higher dignities.

42. *Hulusi Fuat (Tugay).*

Born in 1885 at Constantinople. Member of the Turkish Diplomatic Service. Was employed at Berlin and Vienna during the war, and in Christiania in 1923, when he received an appointment in the Ministry for Foreign Affairs at Angora.

May 1924 became "chef du cabinet" of Aduan Bey, delegate at Constantinople of the Ministry for Foreign Affairs. In October went to London as a member of the Turkish delegation in the Congress of the League of Nations Societies. Resigned in March 1925 for reasons unknown, though it was suggested that (1) he had outshone Nusret Bey, (2) he was not fully sympathetic with Angora. In May appointed Chargé d'Affaires at Tokyo. In September 1928 was transferred in the same capacity to Nanking, whence he was recalled to the Ministry for Foreign Affairs in August 1931, to become Director-General of the VIth Department. Is now Director-General of the IIIrd Department, with the rank of permanent Chargé d'Affaires. He was a member of Turkish delegation to London in July 1936 for the discussions leading up to the signature of the Anglo-Turkish Trade and Clearing Agreement. Appointed head of the IInd Department of the Ministry in April 1937, and subsequently became Political Counsellor at the Ministry (November), a revival of a post which had been in abeyance.

Hulusi Foat, or Foat-Tugay, as he has begun to call himself, is a son of "Deli" Fuat Pasha, and his wife, who is a pleasant woman and an excellent linguist, is a daughter of the late Mahmut Muhtar Pasha and a cousin of the King of Egypt on her mother's side. He is pleasant to deal with, accustomed to European ways, enjoys a good cigar, not very clever, and believed to be fairly straight. Knows English and speaks excellent French.

43. *Hurgin Cahit.*

Born at Constantinople in 1876. Took up the teaching profession, but in 1908 went over to journalism and became, till 1912, editor and part proprietor of the *Tanin*, the official organ of the Committee of Union and Progress. From 1908 was one of the Constantinople Deputies in the Chamber, of which he became one of the vice-presidents during the war. Before the war was representative of the Turkish bondholders on the Public Debt. Played no great political part during the war, but at the armistice was arrested and deported to Malta. Released in April 1921, he spent the following year in Europe. On his return to Constantinople, he recommenced publication of the *Tanin*, and, for a time, supported the Kemalist régime. Nevertheless, he kept in close touch with the surviving Committee of Union and Progress leaders, and gradually began to take a more independent line in his writings. By 1923 the *Tanin* had become the chief organ of the Opposition, and in December Cahit was tried and acquitted for the publication of the Aga Khan letter. In April 1925 he was again arrested for his publications, the *Tanin* was suppressed and Cahit Bey was sentenced by the Independence Tribunal to a life-time confinement in a fortress (Çorum). He was again brought before the tribunal in August 1926 for alleged participation in the Smyrna plot, but was acquitted and soon afterwards released. In 1930 became chairman of the board of directors of the Bank of Industries and Mines. In September 1932, created a sensation at the First Turkish Linguistic Congress by calling in question the Gazi's favourite linguistic theories, and opposing the wholesale elimination of words of foreign origin.

Tall and slight, Cahit was remarkable for his biting satire, and was feared by his enemies. Has written several poems and produced a number of scholastic books. His former power was doubtless derived partly from his association with Cavit and the Government seem to have brought him to terms.

44. *Hüseyin Rafip.*

Born about 1885 in Rhodes. A brother of the late Resit Galip, ex-Minister of Education (1932–33). In 1923 was appointed Turkish representative in Paris. Transferred to Bucharest in April 1925. Appointed Ambassador at Moscow in January 1929. Transferred to Rome in July 1934.

Is of pleasant address, unmarried, speaks good French, and is well looked upon in the highest Angora circles. Possibly the best Turkish Ambassador to Russia since the war. Keeps an open mind about the Soviet régime and endeavours to judge it without bias. Entertains generously and with good taste.

45. *Hussey (Giresun).*

Born about 1884. A soldier *de carrière;* was military attaché at Athens at the outbreak of the Great War, and later served on the staff of the Caucasus Army as an intelligence officer. During the early part of the Nationalist struggle was private secretary to Mustafa Kemal Pasha. In February 1921 was a member of Bekir Sami Bey's mission to Paris, London and Rome. In July 1923 was elected Deputy for Urfa. In May 1924 became Minister at Budapest. Later

resigned his deputyship on opting for his Legation. In August 1926 was appointed Minister at Sofia. In July 1930 was appointed Ambassador at Warsaw, but did not proceed, and the following month was appointed Ambassador at Tehran, where he became increasingly unpopular, making no secret of his disgust for all things Persian. In 1931 the Persian New Year arrangements were altered to prevent his making a speech as doyen of the Diplomatic Corps. Resigned, ostensibly on ground of ill-health, in June 1934, to make way for Enis (*q.v.*). In January 1936 he was appointed Ambassador at Tokyo.

Hüsrev is tall and good-looking, and is, or at least was, a friend of Atatürk.

46. *Ibrahim Tali* (*Öngören*).

Born about 1885. An ex-army doctor by profession, and served in that capacity during the Great War. Came under the Gazi's notice at Diarbekir in 1916 or 1917. Later became Turkish consul at Batum. In February 1924 it was rumoured that he would succeed Adnan Bey as representative of the Ministry for Foreign Affairs at Constantinople, but instead, he went to Salonica to investigate alleged abuses on the part of the Turkish consul there. In April was appointed Minister at Warsaw. January 1926 elected Deputy for Diarbekir, and returned to Angora in the following month. In May became inspector-general of the People's party in Constantinople, and, as such, had very extensive powers. Took a prominent part in the 1927 elections and was himself again returned for Diarbekir. In October became vice-president of the Executive Council of the People's party, and in November a member of the Assembly Foreign Affairs Commission. In December resigned his deputyship on being appointed inspector-general of the Eastern Provinces, with extensive powers. Has had considerable success in modernising the backward districts under his jurisdiction. Resigned post and elected Deputy for Constantinople in December 1932. Resigned Deputyship in April 1934 to take up new post of Inspector-General of Thrace, but resigned it in August 1935 on the ground of ill-health.

Ibrahim Tali is a short, bullet-headed man and wears heavy glasses. He speaks French and a little English, and is cultured. Is pleasant in conversation, genial, tactful and broad-minded. Has been to Bombay, studies Anglo-Indian administration and, at least while in charge of the Eastern Provinces, made his officials start work at 7·30 and stop at 1.

47. *Ihsan* (*Sökmen*), *General*.

Born about 1875 at Constantinople. Left military college as a staff captain in 1896. 1900–06 military attaché at Athens. Joined the General Staff as lieutenant-colonel in 1906. From 1908 to 1911 he served on the staff of the VIIth Army, being then appointed its chief. Later, recalled to the Imperial General Staff, was placed in command of Edremit Division in 1912, and in 1914 was transferred with rank of brigadier-general to the 34th Division at Erzerum. Was captured after the battle of Sarikamiş in January 1915 and sent as a prisoner to Siberia, whence he escaped in December, making his way on foot to China, and from there returning by way of America to Constantinople. On his return he was placed on the retired list by Enver and took up the post of mayor at Yeniköy, on the Bosphorus. Brought back after the armistice, and became in 1919 a member of the Military Court of Constantinople, in 1920 Inspector of Prisoners of War and in 1921 Director of the War Department. This brought him in close touch with the Angora Government, and in December he became superintendent of their organisations in Constantinople. Though officially unemployed from November 1922, he was charged with the defence of Constantinople in the event of war between Turkey and the Allies. In July 1924 became Vali of Smyrna, in 1926 Deputy for Constantinople and since 1927 has been a member of the National Defence Commission of the Assembly. (President 1932–35). Elected Deputy for Giresun (Kerasund) in April 1931, and member of the executive bureau of the People's party in November 1933; both again in 1935, when he was also elected chairman of the Petitions Commission of the Assembly. Was a member of the Turkish delegation to the Parliamentary Economic Conference in Paris in May 1937.

General Ihsan is a thin, short man with ape-like features. He is something of an opportunist. He is married, and has an American-educated English-speaking daughter, who is married to Emin Ali, Turkish Chargé d'Affaires at Brussels. He has published an account of his escape from Siberia.

48. *Ismet* (*Inönü*), *General*.

Born in 1880 at Smyrna, where his father was a small landed proprietor. Educated at the military college, and from 1906–12 saw service in Thrace and the Yemen. Joined the General Staff in 1914. 1915–16 Chief of Staff of the Caucasus army. 1917–18 in Palestine, and became Under-Secretary for War in the autumn in 1918. Early showed Nationalist sympathies, and joined Mustafa Kemal in March 1920, at once becoming Chief of Staff of the Nationalist forces. Assumed command of the Western Army in December 1920, and was chief Turkish delegate at the Mudanya Conference in October 1922. In the same month was appointed Minister for Foreign Affairs, and in November went to Lausanne as chief Turkish delegate. Signed the Treaty of Lausanne on behalf of Turkey in July 1923, and in October became Prime Minister, retaining the portfolio of Foreign Affairs. At the same time Mustafa Kemal delegated to him the functions of president of the People's party. During 1924, owing to his ill-health, his administration became more and more unpopular, and he resigned in November. On the outbreak of the Kurdish revolt in March 1925 he was again summoned to power by Mustafa Kemal, and has since been Prime Minister, though, in August 1925, it was rumoured that his relations with the Gazi had become strained owing to his opposition to the divorce of Latife Hanim. This rumour proved unfounded, and his position remained as strong as ever. In August 1926 he was promoted general of the first class, and in November 1927, after the general election, at which he was re-elected for Malatya, he reconstructed his Cabinet on more moderate lines. In 1930 his health was not good, and he was subjected to much criticism, but defended himself strongly on formation of Liberal party in August. His triumph was again complete when Fethi Bey was forced to dissolve that party in November. Re-elected for Malatya in April 1931, and soon after again became Prime Minister with the same colleagues as before. Paid official visits to Moscow and Rome in the spring of 1932 and to Sofia in September 1933. Given the surname of Inönü (the scene of his principal victory over the Greeks) by the President of the Republic in 1934. Again Prime Minister after the general election of February 1935. Toured the Eastern Provinces with the Minister for Foreign Affairs during the summer of that year. In April 1937 he paid an official visit to Belgrade, and in May represented the President of the Republic at the Coronation of His Majesty King George VI. In September it was announced that he would take six weeks' holiday; all rumours of a disagreement between him and the President were consistently denied, but in October he finally resigned and Celal Bayar became Prime Minister. Ismet retained his seat as Deputy for Malatya. He is still frequently seen in public, and appears to have lost none of his popularity.

Ismet in his army days was regarded as an exceptionally capable staff officer, an indefatigable worker, and was, to a large extent, responsible for the final Nationalist success against the Greeks in 1922. At Lausanne he showed himself a stubborn but able negotiator. Is courteous and never shows signs of being ruffled, but suffers from deafness, which, however, he probably finds convenient at times. According to Halide Hanim (July 1926): "He subordinates himself entirely to the Gazi and only wants to hang everybody." Though this estimate is undoubtedly overcoloured, there is certainly a hard strain in Ismet's character, while, as regards the Gazi, it is probably truer to say that they made an admirable combination, Ismet not always being merely the organ of execution of reforms, but sometimes, at any rate, being even more thorough-going than his chief. Became a zealous student of English in the autumn of 1935, taking lessons from an American Rhodes scholar, and in 1936 from an Englishman at Angora University.

49. *Izzettin*, *General*.

Early history unknown. Commanded the Ist Army Corps at the Sakarya battles, 1922. In July 1923 was elected Deputy for Aydin, but resigned his seat in October 1924 on opting for military duties. In June 1925 became Inspector-General of the IIIrd Army. In August 1926 was promoted general of division and in 1930 full general. Is a member of the Supreme War Council. In November 1933 accompanied the Voroshiloff–Karakhan delegation (which had visited Angora for the celebration of the tenth anniversary of the Turkish Republic) back to Odessa, where he was fêted and gave public expression to Russophil sentiments.

50. *Kamâl (Atatürk).*

Born in 1880 at Salonica, son of an Albanian father and Turkish mother. Had an entirely Turkish upbringing, and was educated at the Mülkiyé School at Salonica and at the military college in Constantinople, from which he passed out with the rank of captain in 1905. In 1907 he was for a time exiled to Damascus. Receiving a staff appointment at Salonica, he early joined the Committee of Union and Progress, and was at Salonica when the Constitution was proclaimed. Soon after quarrelled with the Committee of Union and Progress. 1910–11 served in Tripoli; 1913 became aide-de-camp to the Heir Apparent and military attaché at Sofia. In October 1914 was given a command at Gallipoli and distinguished himself at Anafarta in 1915, when he alone saved the situation in defiance of Von Sanders's orders. Later in the same year he fell foul of Enver and remained unemployed till 1917, when he was given a Caucasus command. In 1917–18 had twice command of the VIIth Army on the Palestine front, but quarrelled in turn with Von Falkenhayn, Liman von Sanders and Enver. In May 1919 was sent to Anatolia to stem the rising tide of nationalism, and on his arrival at Samsun immediately assumed leadership of the movement. On the 18th July announced his resignation from the army and devotion to the Nationalist cause, and on the 27th summoned the first Nationalist Congress at Erzerum. In November summoned the second Nationalist Congress at Sivas, and in December at Angora. During the following months he tried to dictate to the Constantinople Government, and in April 1920 established an independent Government at Angora. In May became President of the First Assembly and proceeded to organise the Nationalist army. In 1921 received Russian and Afghan Ambassadors at Angora, and in November was vested with absolute authority for the prosecution of the war. Early in 1922 had some difficulties with Assembly, but his dictatorship was successively prolonged for limited periods, and with the Nationalist victory over the Greeks in August–September his ascendency was complete. In November secured from the Assembly the abolition of the Sultanate. This step gave rise to opposition in the Assembly, and he dismissed it in April 1923. In the following election Kemalist nominees were to a large extent elected, Mustafa Kemal himself becoming one of the Deputies for Angora. In August was re-elected President of the Assembly, and in October, on the emergence of a Cabinet crisis, had a republic proclaimed with himself as President. Early in March 1924 decreed the abolition of the Caliphate, though in the same month the right of veto was refused to him, while in April the supreme command of the army in time of peace was vested in the Chief of the General Staff. Since that time the President has inspired the policy of the Government, and in all essentials controlled the Administration through his nominees. Though in many respects his policy is but a continuation of that of the Committee of Union and Progress, the drive which has put the recent great innovations through has been mainly his own. In August 1925 he divorced his wife, Latife Hanim, whom he had married in 1922, and in the same month he decreed the abolition of the fez. During the summer of 1926 a plot to assassinate him was "discovered" at Smyrna, and as a result a number of Opposition leaders were hanged. Early in 1927 his health showed signs of giving way, and he moderated his manner of life. He was also seen much more in public and his behaviour became more decorous. In the summer, after an absence of eight years, he at last visited Constantinople, and from there controlled the general election in September, at which only his nominees were returned. In October he made further history by delivering a six-day speech before a party congress, in which he reviewed the whole course of the Turkish revolution. In the following month he was unanimously re-elected President of the Republic.

In May 1928 the King of Afghanistan paid him an official visit in Angora, being the first head of a foreign State to do so. As in 1927, the summer was spent at Constantinople and was followed by an extensive provincial tour, during which the campaign for the reform of the alphabet was launched, and the Gazi—a title assumed after the victory over the Greeks—earned the sobriquet of "Professor-in-Chief." In the autumn of 1930 his position became delicate owing to his having encouraged the formation of the new Liberal party by Fethi Bey, who had to dissolve it some months later. Started on a prolonged tour of the provinces in November to investigate abuses and hear complaints. Re-elected President of the Republic by the Fourth Grand National Assembly, May 1931. Has since been chiefly interested in Turkish historical and linguistic studies; has arrived at the

conclusion that European languages and civilisation had their origin among the Altai Turks many thousands of years B.C. and, in particular, that the Hittites were of Turkish stock. Surname of Atatürk ("father of the Turks") conferred on him by vote of the Grand National Assembly in November 1934, when he dropped titles of Pasha and Gazi, as well as name of Mustafa, and altered Kemal to Kamâl. Another plot against his life, in which a Turkish Deputy was implicated, was announced in October 1935. The suspects, after trial, were all acquitted. During the years 1936–37 he divided his time between Angora, Istanbul and his villas on the Marmora, and devoted his labours to a considerable extent to intellectual pursuits, showing particular interest in the Language Congress (September 1936) and the Second Historical and Archæological Congress (September 1937). He earned the enthusiastic approval of the press, and no doubt the sincere gratitude of the people, by the gift to the nation of all his farms, including the model farm at Angora, in June 1937. In November he carried out a tour of inspection of industrial progress in the south-eastern vilayets.

Kamâl Atatürk is about 5 feet 7 inches tall, with an unhealthy complexion and piercing steel-grey eyes. Has strong regular features and is now a little inclined to stoutness. Possesses an impressive delivery in speech-making, and has great personal magnetism. Though his career has shown him to be a driver who could brook no opposition, there seems no doubt that he is now the acknowledged leader of a loyal Cabinet and of a united nation.

51. *Kâzim (Inanç), General.*

Born at Diarbekir in 1879. Educated at the military school. 1904–08 employed at the Ministry of War. 1909–12, and again 1913–14, military attaché at Rome. 1915 Chief of Staff of the Ist Army at the Dardanelles, under Liman von Sanders, whom he accompanied throughout the war, and finally to Palestine. In November 1918 became director of the Military Council. Showed no violent anti-Ally feelings during the armistice, and in June 1920, after joining in an effort to secure a reconciliation between Angora and Constantinople, joined Mustafa Kemal, though at the time expressing the continuation of his sympathy with Great Britain. In October 1920 was appointed Director-General of Administration of the Kemalist Western Army, and in October 1921 Under Secretary of National Defence. In 1922–23 was in command of the Turkish troops on the Çanak front. In 1924 succeeded Cevat Pasha as an inspector of the IIIrd Army. In the spring of 1925 was in charge of the troops for the suppression of the Kurdish revolt, and in June resigned his military inspectorate. In August 1926 became Vali of Samsun. In November 1930 was forced to resign and summoned to Angora because of his impartial attitude during the municipal elections at Samsun, which resulted in the victory of all the Liberal party candidates. Was subsequently forgiven, and elected as People's party Deputy for Smyrna in December 1932. Re-elected February 1935.

Kâzim was highly esteemed by Liman von Sanders, and is an industrious, well-trained and efficient officer. He is not a political intriguer, has moderate views and has never expressed a marked preference for any particular party. At Samsun he earned a reputation for energy and efficiency. He is friendly with foreigners, and was held in high esteem by the foreign colony at Samsun.

52. *Kâzim (Özalp), General.*

Born at Veles (Köprülü) about 1884. Has followed a military career, and was early a staunch adherent of the Committee of Union and Progress. Held various commands in the eastern vilayets, and during the war was Director-General of Administration to Ali Fuat Pasha. In July 1919 was in command of troops at Balikesir, and there worked for the Nationalist cause. In the autumn raised irregular bands round Bandirma to support Mustafa Kemal, who appointed him Governor of the Balikesir area in January 1920. In June was given command on the northern front, and, after the battle of the Sakarya, was promoted Pasha, becoming, in the following month, January 1922, Minister of National Defence. Held this post till November 1924, when he became President of the Assembly. In August 1926 was promoted to be divisional general of the first class. Following the general election in September 1927, at which he was

again returned for Karasi (Balikesir), he was, in November, re-elected President of the Assembly. Was president of the Turkish Linguistic Congress at Constantinople in the autumn of 1932. Not elected President of the Fifth Grand National Assembly, March 1935, but made Minister of National Defence, a position which he retained on the formation of Celal Bayar's Cabinet in October 1937.

General Ozalp Kâzim is fairly well educated, and speaks a little French. He is considered to be tenacious though reasonable, but he does not strike one as a strong character. Has poor health. Is probably anti-German, and possibly still anti Bolshevik, and during the Nationalist struggle made it clear that he was anti-Greek as distinct from anti-Ally. Is influential, but not an attractive personality. A keen poker player.

53. *Kâzim (Orbay), General.*

Born about 1883. Fought in Turco-Italian and Balkan Wars, also in Great War in Austria (commanded a brigade against the Russians at Przemysl), at Gallipoli and Erzerum. At the armistice was Chief of Staff of IXth (Caucasus) Army. Was in charge of the division which captured General Tricoupis in the War of Independence. In 1925 he became Sub-Chief of the Turkish General Staff. Was promoted general of division in 1926, and in November 1928 was chief of the Turkish military mission then sent to Afghanistan, but the mission came to nothing owing to the collapse of Amanullah. Given command of IVth Army Corps in June 1929. Later Inspector General of Gendarmerie. Became Inspector of Third Army Area in September 1935. Accompanied Ismet Inonu as one of the three members of the Turkish Mission to the Coronation of His Majesty King George VI in May 1937.

General Kâzim has a precise manner of speaking, but is pleasant and reasonable. Supposed to be rather hidebound as regards military matters. He is married to a sister of the late Enver Pasha. Probably anti Russian and pro-German. A great friend of the late Kemaleddin Sami Pasha, Turkish Ambassador at Berlin.

54. *Kâzim Karabekir, General.*

Born at Bitolj (Monastir) in 1878 of poor parents. Has throughout his life followed a military career. Held numerous staff appointments during the war. Immediately after the armistice was given command of the XVth Army Corps at Erzerum, where, in 1919, he established contact with Mustafa Kemal, definitely joining the latter in September. In 1919–20 was responsible for the consolidation of the Nationalist position in the eastern vilayets and for the repression of the Armenians. At the same time, was closely in touch with Bolshevik agents. Was throughout inclined to act independently of Angora, and for a time his relations with Mustafa Kemal were strained. In September 1921 represented Turkey at the Kars Conference, when he incurred the displeasure of Angora by adopting too conciliatory an attitude towards the Bolsheviks, and also, probably, because of his great influence in the eastern provinces. In 1922 was given full powers there, and for a time was in touch with Enver Pasha. Finally arrived at Angora in October 1922, and, after being for a time unemployed, probably owing to the jealousy of Mustafa Kemal, became one of the military inspectors. Elected Deputy for Constantinople in 1923, he resigned his military duties in October 1924. Joined the Opposition, resigned from the People's party in November, when he became president of the new Progressive party, which was suppressed in March 1925. He continued his opposition activities, and in July 1926 was arrested and tried at Smyrna for participation in the alleged plot against the Gazi, but was acquitted, probably owing to his influence with the army, which it was later stated wished to make him leader of an opposition movement. Ceased to be a Deputy in September 1927, and was severely criticised in the Gazi's lengthy review of the revolution in October 1927. Since then little has been heard of him, though his influence, particularly with the army, still remains considerable. Was proposed as an Independent candidate for Istanbul in 1931, but not elected, as his candidature was vetoed by the Popular party. In May 1933, in a letter to a newspaper, claimed the credit of having started the Nationalist movement before Mustafa Kemal. This caused an uproar in the press, which made much of the Gazi's comment that Kâzim Karabekir was a case for the mental specialists.

Colonel Rawlinson says: "Kâzim Karabekir Pasha is the best example of a first-class Turkish officer that I have met. Any army under him will be well commanded." Possessed of a naturally quick and bright intelligence, he is master of every branch of his profession, and most conscientious in the performance of his duties. Is straightforward, and much of the Nationalist success was due to his competent handling of the Eastern Army.

55. *Kâzim (Sevüktekin), General.*

Born about 1880 and educated at the Military School. Was in command of troops (8th Division) at Angora 1925–27. In January 1928 became Deputy for Diarbekir and resigned his military appointment. Has remained Deputy for Diarbekir ever since and member of the National Defence Commission of the Grand National Assembly since November 1928.

General Kâzim, nick-named "Benli" (from "ben," a mole on the face), used to be described as a disagreeable type, ill-mannered, a bully and a drinker; but in recent years, at any rate, he has always seemed the soul of good nature and has shown himself particularly friendly to members of His Majesty's Embassy. He and his extremely plain wife are familiar and popular figures at the principal Angora "crushes."

56. *Kilic Ali.*

Born about 1882. Before and during the war was a non-commissioned officer. In 1919 he organised a tough lot of bashi-bozuks at Balikesir. Next heard of in Cilicia in 1920–21, when he acted with great energy against the Armenians, thereby earning the sobriquet of "Kilic" (sword). At the same time changed his name from Asaf to Ali, and became Deputy for Ayintap, which he still represents in the Assembly. In July 1924 assaulted Celal Nuri Bey with impunity in his office, and two months later accompanied Mustafa Kemal on his tour of the eastern provinces, an association much criticised at the time. Continued, however, to be one of the chief associates of the Gazi, and in March 1925 became a member of the Angora Independence Tribunal. In February 1927 wounded Salih Bey in a brawl arising out the Swedish railway contract. The independence tribunals having been suppressed in March, Kilic Ali devoted himself to his numerous commercial activities till the summer, when he was in attendance on the Gazi at Constantinople. In November was a member of the Turkish mission sent to Moscow in connexion with the Russian revolution anniversary celebrations, and in the same month became a member of the executive bureau of the People's party and of the Defence Commission of the Assembly. Is a member of the board of the Is Bankasi.

Kilic Ali's character is clear from his record. He is a brute and a bully, with no apparent compensating features. He is, however, influential, owing to his friendship with the President of the Republic, though outwardly at least that friendship seems to be subject to a good deal of ebb and flow.

57. *Mahmut Esat (Bozkurt).*

Born at Smyrna in 1886. Studied law in Constantinople and Switzerland, obtaining his degree in Fribourg in 1911. In 1912 established himself in Smyrna as a lawyer, and remained obscurely there till 1919. In May 1920 went to Angora, and in the following month was appointed Deputy for Smyrna and still retains this seat. In May 1922 published a violent article against the Sublime Porte and the Sultan, and in June became secretary of the Foreign Affairs Commission of the Assembly. In July became Minister of Economics, holding the post till September 1923, when he retired to Smyrna and was understood to have become an oppositionist. In March 1924 opposed the grant of veto and dissolution powers to the President of the Republic. In November became Minister of Justice, retaining this portfolio when Ismet Pasha reconstructed his Cabinet in November 1927. In August–September 1926 Acting Minister for Foreign Affairs during the absence of Tevfik Rüstü Bey at Geneva. In 1926 and 1927 he made several visits to Europe in connexion with the "Lotus" question, and was chief Turkish delegate before The Hague Tribunal in the summer of 1927, when the Turkish case was upheld. In 1930 became increasingly unpopular, and was accused of influencing the course of justice. His position became gradually weaker during the summer, and he was one of the chief objects of attack of Fethi Bey and the new Liberal party. Was not included in Ismet Pasha's Cabinet as reformed in September 1930 and in May 1931. In October 1931 published in a Smyrna newspaper a series of violent articles against freemasonry.

Mahmut Esat speaks French and German as well as Turkish and Greek He is considered to be one of the best Turkish specialists in Constitutional Law. He showed great energy in the introduction of Criminal and Civil Codes based on Western models, of which the last named has revolutionised Turkish family life.

58. *Mehmet Esat (Atuner).*

Born in 1886, a diplomat *de carrière*. Director of the first branch of Political Affairs at the Ministry for Foreign Affairs in 1924, then appointed Chargé d'Affaires at The Hague. He served at Vienna and Stockholm and returned to Angora in 1928 as Director-General of the Second Department of the Ministry. In 1929 he was transferred to the First Department. In August 1931 he was appointed second Turkish delegate on the Exchange Commission, which was certainly not promotion, and he was believed to have incurred the disapproval of İsmet Inönü. In 1936 he was promoted to the post of head of the new Department of the Ministry for Foreign Affairs which deals with questions arising from the application of the new Straits Convention. On the reorganisation of the Ministry in April 1937 he became head of the IIIrd Department.

A very European Turk, he speaks excellent French, and goes about a good deal in society. He is efficient and helpful.

59. *Memduh Şevket.*

Early history unknown. Appointed Turkish Minister at Tehran in August 1925, and rather more than a year later returned to Angora with Teymourtache, via Moscow. Was said to be associated with schemes for an Asiatic League of Nations. Resigned his post in August 1930, nominally on grounds of ill-health, and was elected Deputy for Elaziz in April 1931. In October was a member of the Turkish delegation to the Second Balkan Conference at Constantinople. Elected member of the Constitution Committee of the Assembly in November 1932. Was also a member of the executive bureau of the People's party. Appointed Ambassador at Kabul in January 1933, and, after resigning his deputyship, left to take up his post in October.

Memduh Şevket had at one time the reputation of being very Asiatic and practically ignorant of Western Europe. At Tehran, however, he learned to speak French fluently, and was very friendly towards His Majesty's Legation. Is understood to have wide interests, especially historical.

60. *Muhlis (Erkmen).*

Born in Constantinople about 1887. Graduate of Halkali Agricultural School in 1911. Taught there 1911–16. Sent by Turkish Government to Germany for special course of study, and on his return resumed position as teacher at Halkali School. Was employed for a time as adviser in Ministry of National Economy, returning later to the agricultural school, where he specialised in the subject of milk. Still later became rector of the school, and was Under-Secretary for Agriculture in 1926 and 1927. In the latter year was elected Deputy for Brusa and member of the Budget Commission of the Assembly, of which he became *rapporteur* in 1928. In 1931 was elected Deputy for Kütahya and secretary of the Budget Commission. In December 1931 was appointed to the newly-created post of Minister of Agriculture. Is friendly and popular. Known to the Diplomatic Corps chiefly in connexion with the Angora Riding Club, of which he is an active member. In June 1937 he resigned from the Ministry of Agriculture on grounds of ill-health.

61. *Münir, Mehmet (Ertegün).*

Born about 1875. Educated at the Mülkiye College and Law School at Constantinople. After obtaining his diploma of doctor of law, was appointed one of the assistant legal advisers of the Sublime Porte, holding this post till 1916, when he became chief legal adviser. As such attended the conference of Brzesć (Brest Litovsk). Accompanied Izzet Pasha on the reconciliation mission to Anatolia in December 1920. At once placed his services at the disposal of the Nationalist Government, and became legal adviser. Was Turkish legal adviser at the Lausanne Conference, and returned to hold the post at the Ministry for Foreign Affairs till February 1925, when he was appointed Turkish Minister at Berne. Became Ambassador at Paris in August 1930. Transferred to London in May 1932 and to Washington in March 1934.

Münür is a pretty good lawyer and rather the simple old-fashioned kind of Turkish official. He has a reputation for honesty, and created a good impression on the British delegates at the Lausanne Conference.

62. *Mustafa Şeref (Özkan).*

Born in Burdur in 1864. A graduate of the faculty of law of Constantinople and Paris. Was director of the Law School at Konya, professor of the Turkish University, Under-Secretary of the Ministry of Commerce, under the Imperial régime. Elected Deputy for Burdur. Took part in the Lausanne Conference. Lately one of the Turkish delegates for the negotiation of commercial treaties. Appointed Minister of National Economy in İsmet Pasha's new Cabinet, September 1930, and retained his portfolio in new Ministry, May 1931. Resigned in September 1932, and in November was elected chairman of Finance Committee of the Grand National Assembly. In April 1933 went to Rome as member of Turkish delegation to International Parliamentary Economic Conference, and in November became chairman of the Budget Committee of the Assembly. Elected chairman of Budget Committee of Assembly in November 1935.

63. *Naci (Eldeniz), General.*

Born at Bitolj (Monastir). Passed out of Constantinople Military School with rank of second lieutenant of infantry in 1893, and went to Germany for a course of military studies. Teacher of military manœuvres from 1897 to 1900. Commanded school for reserve officers at Beylerbey until its suppression in 1912. In February 1913 appointed director of studies at the Constantinople Military School. In February 1915 was made director of the training camp at Erzerum, and in 1917 joined the General Staff of the Caucasus armies. In July 1918 appointed personal A.D.C. to the Sultan (Mehmet VI, Vahidettin), and retained the post until April 1920, though in sympathy with the Nationalist movement, for which reason he fell foul of the Grand Vizier Damat Ferit. Accompanied Salih Pasha on his mission to Anatolia, and joined Mustafa Kemal. In 1924 was head of a military mission to Britain, France and Poland. In May–June 1925 was in command of the Government forces at Diyarbekir for the repression of the Kurdish revolt of Sheikh Sait. In 1927 commanded the Vth Army Corps at Konya and was promoted Divisional General. In 1928 made the arrangements for King Amanullah's visit to Angora, and was to have gone to Afghanistan as military adviser, but Kâzim Pasha was sent instead. Thereupon resigned from the army, and was elected Deputy for Cebelibereket. Was president of the National Defence Commission of the Assembly from November 1928 to November 1930, and is a member of the same commission since the latter date. Elected Deputy for Seyhan (Adana) in February 1935. Led the Turkish delegation at the Parliamentary Commercial Conference at Paris in May 1937.

General Naci is short, very dapper, possessed of pleasant but very formal manners, a refined and charming wife and an attractive daughter, who spent some months at Exeter College in 1937. Speaks French and excellent German.

64. *Nevmettin Sadik.*

Born about 1890. Owner and chief editor of the *Akşam* newspaper, published at Constantinople. Elected Deputy for Sivas in September 1927, and member of the Public Instruction Commission of the Assembly in November. Was one of the Turkish delegates to the International Press Conference at Cologne in May 1928, and in November was elected member of the Foreign Affairs Commission of the Assembly, a position which he still retains. Early in 1929 his paper published an attack on His Majesty's Ambassador on account of sympathy shown with the sufferers from a fire at Kurtuluş (Tatavla), a Greek quarter of Constantinople, but later gave equal publicity to an explanation by Sir George Clerk. In November 1930 he accompanied, as journalist, the Turkish delegation to the preliminary Disarmament Conference at Geneva. Accompanied Ismet Pasha and Tevfik Rüştü Bey on their official visit to Athens, October 1931, and on his return was one of the Turkish delegates at the Second Balkan Conference, held at Constantinople. Member of Turkish delegation to Inter-Parliamentary Congress at Geneva, July 1932, and to the Disarmament Conference in January 1933. Was commissioned by the Gazi to reply to accusations contained in Harold Armstrong's *Grey Wolf*, which he did in a series of articles in the *Akşam* containing violent personal attacks on that author. Elected Secretary General of "Franco-Turkish Friendship" group of Grand

National Assembly in March 1934, and, in November, *rapporteur* of the Foreign Affairs Committee of the Assembly. Re-elected in 1935. In January 1935 and September 1936 he accompanied the Turkish delegations to Geneva, where he is now permanent Turkish delegate.

Necmettin Sadik speaks French and has pleasant manners.

65. *Numan (Menemencioğlu).*

Born in 1890, a son of Menemenli Zade Rifat Bey, ex-president of the Ottoman Senate, and on his mother's side a relative of the poet Namik Kemal Bey. After passing through Galata Saray College, went to Switzerland in 1913 to study jurisprudence. On the outbreak of war entered the Harbiye College as a cadet, but through his father's influence obtained in February 1915 the post of third secretary at the Turkish Embassy in Vienna. Transferred in 1916 to Berne, where he remained till transferred to The Hague some years after the war. Appointed first secretary at Athens in 1926, and in August transferred to Budapest as Chargé d'Affaires. After serving for a time as consul-general at Beirut, was in June 1928 appointed Director-General of the First Division at the Ministry for Foreign Affairs. Appointed Under-Secretary of State for Foreign Affairs in June 1929, in which post he completed the work of reorganisation initiated by his predecessor, Emin Bey. Was in Germany for treatment during greater part of 1931. In May 1933 accompanied Minister of National Economy to Athens for commercial negotiations and cultivation of cordial relations with Tsaldaris Government. In June was promoted to rank of Ambassador and appointed Secretary-General of the Ministry for Foreign Affairs, a new post. In December led a delegation to Rome to negotiate a new commercial treaty, and to Berlin in March 1935. In December 1936 he accompanied Dr. Aras to Geneva to discuss the Alexandretta question, and led the Turkish delegation for the subsequent discussions in February and March 1937. In March also he was elected Deputy for Gazi Ayintab in order to fill the newly created post of Parliamentary Under-Secretary of State for Foreign Affairs—a post which was abolished in November 1937, when he resigned his seat in the Assembly and returned to the Ministry as Secretary-General. Acting Minister for Foreign Affairs in June and September 1937. Visited Beirut officially in November. Has since then suffered from serious ill-health

Numan is stout, somewhat stooped, dark-haired and sallow-complexioned. Has very indifferent health. Quiet and retiring, but very intelligent and efficient, friendly-mannered. Speaks excellent French, and plays a good game of bridge. Married a French Swiss lady, now deceased.

66. *Nuri (Hatu).*

Early history unknown. Was in 1924 member of staff of Foreign Affairs delegation in Constantinople. Later appointed Turkish consul at Tiflis. In December 1926 became head of Consular Section of Ministry for Foreign Affairs, and in March 1928 Assistant Under-Secretary of State for Foreign Affairs, chiefly in connexion with legal matters. Appointed Director-General of the Third (Balkan) Department in June 1928, and Chargé d'Affaires at The Hague in August 1931. In June 1933 was appointed Under-Secretary of State for Foreign Affairs in succession to Numan Bey, but never took up his duties, it was said because the Gazi considered him unsuitable. In July appointed first Turkish Minister at Tirana since recognition of King Zog by the Gazi, but for some mysterious reason did not proceed. Appointed Minister at Riga, July 1935.

67. *Nusret.*

Born about 1878 of South Albanian origin. Educated at the Mülkiye College at Constantinople, after which he followed a course of jurisprudence at the law school. In 1903 became a clerk in the Legal Adviser's Department at the Sublime Porte. In 1916 became director of this department. In 1921 accompanied Tevfik Pasha's delegation to London in the capacity of legal adviser. Was in the Turkish delegation at Lausanne. Continued to share with Münür Bey the duties of legal adviser of the Angora Government until 1924, when he was appointed representative in Constantinople of the Ministry for Foreign Affairs. As such he was always ready to take reasonable views, and in so far as his limited powers allowed him, he was helpful. In June 1927 he resigned his Constantinople appointment on being appointed President of the newly constituted Council of State. In 1931 was appointed chairman of the Board of the Central Bank of the Republic—the State Bank.

Nusret gives lectures at the law school on international law, on which he is regarded as something of an authority. Is of a very quiet and studious disposition, and his chief pleasure consists in the perusal of legal works in French. Is personable and courteous, but in Constantinople his bugbear was social functions in Pera.

68. *Nusret Sadullah.*

Born about 1875, the son of Sadullah Pasha, at one time Ambassador and Minister for Foreign Affairs. Studied at the Galata Seray College, Constantinople, and at Vienna. Entered the diplomatic service, and served at Berlin and Vienna, until about 1900, when he became assistant legal adviser to the Sublime Porte. Owing to bad health was for some years unemployed, but in July 1913, after having been a Deputy for a few months, he became Minister in Belgium and afterwards at The Hague, where he remained until 1923. In 1925 he became head of the Political Section of the Foreign Ministry, but resigned in 1926 for reasons of health. In September 1927 became Deputy for Samsun, and two months later member of the Assembly Foreign Affairs Commission. Appointed Minister at Belgrade in February 1928, he resigned his deputyship, but was re-elected in October, ill-health having made it impossible for him to take up his new diplomatic post. Re-elected member of Foreign Affairs Commission of the Assembly in November 1930. Not re-elected to the Assembly in April 1931.

Nusret Sadullah is cultured and very popular, both in European and Turkish circles. He is also capable, but his poor health—a hereditary weakness, both his father and brother having committed suicide during fits of temporary insanity—has prevented him from attaining the distinction to which he would otherwise appear entitled. Was married to an Egyptian princess, now deceased, the daughter of the late Abbas Halim Pasha. Subsequently married an attractive Turkish lady, very much younger than himself. Is not a politician. Is now engaged in commerce and lives at Constantinople.

69. *Ragip Raif.*

Born in 1874, the son of Raif Pasha. Entered Turkish Foreign Office in 1897, went to London in 1901 and later to Berne, Brussels, Washington and again London, where he was counsellor in 1914. Remained in Europe during the war, and after it was Minister at Madrid. In 1927 became political adviser at Ministry for Foreign Affairs, and in January 1929 was appointed Chargé d'Affaires at Stockholm, Oslo, Copenhagen and Helsingfors. Appointed Chargé d'Affaires at Tokyo in July 1931, but did not proceed. Presented his credentials to the King of Sweden as Minister Plenipotentiary November 1933.

Ragip Raif shows distinct traces of Arab blood, and has a somewhat coarse appearance. Speaks English well, and is a good talker, but is addicted to drink, and when in liquor often indulges in indiscretions, which are generally amusing and sometimes interesting.

70. *Rahmi (Köken).*

Born about 1880 at Smyrna. Nothing known of his early history, except that for a time he was a finance official. Since 1923 has been a Deputy for Smyrna Became Minister of Commerce in May 1926, and in November 1927, on the reconstruction of Ismet Pasha's Cabinet, retained that portfolio, combining with it that of Agriculture. Was not a success in this post, owing to complete lack of business capacity. Resigned on grounds of ill-health in May 1929. Elected member of the Economic Affairs and Accounts Committees of the Assembly in November 1930, and chairman of former committee in November 1931. Became chairman of Agricultural Committee in November 1932.

Rahmi is a big, burly man, who speaks nothing but Turkish. He rarely shows himself in public, but officially is courteous and helpful.

71. *Rauf (Tarhan).*

Born in 1883 at Constantinople and educated at Galata Saray School. Studied wireless telegraphy in Europe, and was employed in the Directorate of Posts and Telegraphs until 1920, subsequently taking up private commercial and agricultural work. Was one of the founders of a modern cotton factory in Turkey. In 1926 was a member of the Constantinople Municipal Council, and in September 1927 was elected Deputy for Samsun, becoming in November a member of the Internal Affairs Commission of the Assembly. In June 1928 he was one of the Turkish delegates to the Inter-Parliamentary Congress at Paris, was in November elected president of the Finance Commission of the Assembly,

and about the same time became a member of the Executive Bureau of the People's party. In the summer of 1929 he represented Turkey at the Universal Postal Congress held in London, and during his stay in England visited several Manchester cotton mills under the auspices of the Department of Overseas Trade. Having been returned as Deputy for Constantinople in April 1931, he was soon afterwards elected vice-president of the Budget Commission of the Assembly, and in October was a member of the Turkish delegation at the Second Balkan Conference, held at Constantinople. At the end of December he was appointed to the newly-created post of Minister of Customs and Monopolies, which he retained on the formation of Celal Bayar's Cabinet in October 1937.

Rana, who speaks a little English, harbours grateful memories of the numerous official attentions which he received during his visit to London in 1929

72. *Recep (Peker).*

Born about 1880. An ex-army officer. In 1922 became secretary-general of the People's party, and as such had considerable power. July 1923 Deputy for Kütahya. May 1924 became Minister of Interior and resigned from the secretaryship of the People's party. In the autumn of 1924 was considered one of the leading men of Ismet Pasha's Cabinet and a likely candidate for the premiership, but was maintained in his post on Fethi Bey becoming Prime Minister in November. In January 1925 resigned owing to his objections to the Cabinet proposal to appoint prefects by election, and resumed his post as secretary-general of the People's party until, in March, on the return of Ismet Pasha to power, he became Minister for National Defence. Early in 1927 his influence was said to be on the wane. He was re-elected Deputy for Kütahya in 1927 (again in 1931), but ceased to hold ministerial rank when Ismet Pasha reconstructed his Cabinet in November, and a few days later became chairman of the Defence Commission of the Assembly. October 1928 became Minister of Public Works, but was not reappointed on re-formation of Ismet Pasha's Cabinet in September 1930. In March 1931 again became secretary-general of the People's party. Went on a prolonged tour of European countries, including Spain and Norway, in 1932. In 1935 he was re-elected Deputy for Kütahya. In June 1936 he suddenly lost the President's favour, and was dismissed from the position of Secretary-General of the People's party, while retaining his seat in the Assembly.

Recep was unknown until the later years of the Nationalist struggle, and owed his position to his friendship with the President of the Republic. A big, burly figure, he is said to be ambitious, with a perpetual desire to become Prime Minister. He is, however, something of an extremist.

73. *Refet, General (Bele).*

Born in 1877 at Trnovo. 1898–1908 was employed in the gendarmerie in Macedonia. Commanded the gendarmerie battalion of the Army of Liberation in 1908. Went to the staff school in 1911, and was sent to Damascus in 1912. Became famous as the defender of Gaza in 1916, and 1918 received the command of the XXIIIrd Army Corps in Palestine. At the armistice was appointed commander-in-chief of the gendarmerie, and in May 1919 commander of the IIIrd Army Corps at Sivas. Landed at Samsun with Mustafa Kemal, and immediately became one of the latter's chief lieutenants. In September commanded the Nationalist forces at Konya, and in March 1920 was appointed commander on the Aydin front. In September was appointed Minister of the Interior, holding the post till April 1921. After holding various commands, was Minister of National Defence from July 1921 to January 1922. After the Mudanya Conference was appointed Governor of Thrace, but remained in Constantinople, where he rapidly overthrew the Sultan's Government and established Nationalist authority. In July 1923 elected Deputy for Constantinople, and soon afterwards resigned his appointment, which no longer had any *raison d'être*. In the autumn began to show Opposition tendencies over the proclamation of the republic, and was in close touch with the Caliph and Rauf Bey. Resigned his deputyship in May 1924 and thereafter lived quietly in Constantinople, though maintaining close touch with Rauf and other Opposition leaders. In October withdrew his resignation of deputyship, publicly joined forces with the Oppositionists, resigned from the People's party and became one of the leaders of the new Progressive party. In July 1926 was tried at Angora for participation in the alleged plot against the life of the President of the Republic, but was acquitted, supposedly because of his prestige with the army.

In October he announced his abandonment of political life, and in November finally resigned his deputyship. In 1931 he visited Angora, and it was rumoured that he was to return to political life. Later he was put forward as independent candidate for Istanbul at the parliamentary elections, but his candidature was vetoed by the Popular party and came to nothing. He was, however, returned as an independent Deputy for Constantinople in February 1935.

General Refet is one of the most able of the Nationalist leaders and of considerable political ability. In 1922, at Constantinople, showed himself to be an extremely keen and clever tactician. Though his private life is not above reproach, he can hardly fail to play a prominent part in any future Opposition movement in Turkey.

74. *Refik (Saydam), Dr.*

Born about 1878. Studied at Stambul Medical School and in Germany, and later practised medicine. Was an early supporter of Mustafa Kemal, and from 1921 to 1923 was Deputy for Beyazit in the first Angora Assembly. Since 1923 has been one of the Deputies for Constantinople. Except for the period November 1924 to March 1925, when Fethi Bey was Prime Minister, Dr. Refik has been Minister of Health since October 1923. He has discharged the duties of his post with marked ability, and the great improvement in Turkish sanitary conditions and the successful draining of the Angora marshes are outstanding tributes to his ability and energy. His Ministry is easily the most efficient of all the Turkish official Departments. Is chairman of the Administrative Committee of the Turkish Red Crescent. Paid official visits to the United States of America and London in 1929. In October 1931 was Acting Prime Minister during Ismet Pasha's official visit to Athens and Budapest. Was Acting Minister of Finance and of Education in 1933. In 1937 he was Acting Prime Minister during Ismet's absence in London. On the formation of Celal Bayar's Cabinet in October 1937 he resigned on grounds of ill-health, and is now undergoing treatment in Europe.

Dr. Refik is rotund and beaming behind his enormous spectacles, and is universally popular. Not much seen in public, he is particularly fond of bridge, at which he is an indifferent player. Speaks fair French.

75. *Reşit Saffet.*

Born at Constantinople about 1883. Began life as translator in the Tobacco Régie. Later entered the Ministry for Foreign Affairs, and was secretary in the Legations at Bucharest, Washington, Madrid and Tehran. During this period became a member of the C.U.P. On the outbreak of the revolution of 1908 was appointed Director of the Private Council of the Ministry of Finance, and became secretary to the Minister, Cavit Bey, who, at various times, sent him as propagandist agent to London, Paris, Rome, and, particularly during the Great War, Vienna and Berlin. On the signature of the armistice in 1918 became counsellor of the Turkish Legation at Berne, where he engaged in pan-Islamic agitation and wrote anti-British articles in the local press. On his return to Constantinople in October 1919 opened a branch of the Swiss Society for the Defence of Ottoman Rights, and became one of the directors of pan-Islamic activity. Later he turned to pan-Turanianism, and became one of the most indefatigable discoverers of affinities between the Turkish race and the principal civilised peoples of the world. Worked for the extreme wing of the Nationalist party, but in 1921 lost the favour of Mustafa Kemal for a time. In October 1922 was appointed secretary-general of the Turkish Peace Delegation at Lausanne. In 1925 was advisor to Turkish delegate for the liquidation of the International Board of Health, and showed himself pugnacious and occasionally insolent. Made grave accusations against the British delegate, and was obliged to resign. Elected Deputy for Izmit in September 1927, and member of the Commerce Committee of the Assembly in November. In June 1928 was one of the Turkish delegates to the International Inter-Parliamentary Congress at Paris, and visited Russia in 1929, returning much impressed by his experiences. In October 1930 he went as member of the Turkish delegation to the Balkan Congress at Athens, and in January 1931 to the Balkan Conference at Salonica. Is president of the Turkish Touring Club, in which capacity he has done much to secure the abolition of some of the more troublesome restrictions on the movement of foreigners, and, since November 1930, a member of the Finance Commission of the Assembly. In the autumn of 1931 represented Turkey at Orientalists'

Congress at Leyden, and Parliamentary Congress at Bucharest, and was one of the Turkish delegates at the Second Balkan Conference, held in Constantinople. Elected member of Accounts Committee of Assembly in November 1932. Represented Turkey at International Touristic Congress at Cairo in February 1933, and was a delegate to Fourth Balkan Conference at Salonica in November. Not re-elected Deputy at the general election of February 1935.

Reşit Saffet speaks French and understands German. Is well versed in finance and very ambitious. Has been described as a man of no character, and is not above making improper advances, when under the influence of liquor, to distinguished female visitors.

76. *Rusen Eşref (Unaydin).*

Born in 1893 at Constantinople. Before the war taught in the English boys' school in Constantinople. Was associated with Mustafa Kemal from the inception of the Nationalist movement, and was a member of the first Angora Assembly. Has been a Deputy for Afyon Karahisar since 1923. Has never occupied any prominent official position, but has for some years been one of the Gazi's most intimate friends. 1925-27, was secretary of the Assembly Foreign Affairs Commission, and for the last four years has been the chief secretary of the Assembly. In the summer of 1927 he represented the Turkish press at an international congress in London, whence he returned deeply impressed by English education, industry and culture. In June 1928 was a delegate to the International Parliamentary Congress in Paris, and on his return took a prominent part in the campaign for the reform of the alphabet. Was one of the Turkish delegates at the Balkan Congress at Athens in October 1930, and secretary of the Balkan Conference at Constantinople a year later. Took prominent part in organisation of First Turkish Linguistic Congress at Constantinople in September 1933. Member of Turkish delegation to Third Balkan Conference at Bucharest in October 1932. Appointed Secretary-General to the Presidency of the Republic October 1933, when he resigned his deputyship. Fell suddenly, in March 1934, from the President's favour, in consequence, it is believed, of a quarrel with Recep, and was sent soon afterwards, practically in disgrace, as Minister to Albania. In October, however, was appointed Minister to Athens, a post for which, in view of his great interest in the classics (though innocent of either Latin or Greek) he is particularly suited.

Rusen Eşref is an attractive personality. He is cultured and speaks remarkably well. Has read extensively and is extremely intelligent, but is probably constitutionally lazy, and, though fond of writing and gifted with great fluency, tends to work in spurts. Has lately been engaged on translating standard Western authors. While accused by some of insincerity, he is excellent company, is very fond of bridge, and has a pleasant wife, whose comparative good looks and other attractions placed her in the forefront of the ladies in Angora society.

77. *Sabri (Toprak).*

Born about 1883. Before the war was a small post office employee. During the war was secretary-general of the Committee of Union and Progress, and for his activities in this connexion was deported to Malta in 1919. He returned, and became in 1922 Director of Posts and Telegraphs at Angora, and went to Germany, where he studied wireless. In July 1923 elected Deputy for Saruhan (Manisa), and in August became first Vice-President of the Assembly. In March 1925 became Minister for Agriculture. He was re-elected Deputy in September 1927, but ceased to hold office in November on the suppression of the Ministry of Agriculture as a separate department. In the same month he became a member of the Assembly Budget Commission, and in November 1929 chairman of the Assembly Accounts Commission. In February 1929 was appointed Minister at Bucharest, but resigned in 1930 in order to become a Deputy again. Was a member of the Turkish delegation to the Balkan Congress at Athens in October 1930, and next month was elected member of the Foreign Affairs Commission of the Assembly. Was a member of the Turkish delegation at the Second Balkan Conference held at Constantinople in October 1931. Re-elected Deputy for Manisa in 1935. Towards the end of 1937 showed strong anti-Semitic tendencies and brought forward a Bill to prevent Jews from settling in Turkey, which was rejected.

Sabri has a rough but genial manner. He has great ideas about developing agriculture in Turkey. In November 1925, during a visit to Moscow, he gave evidence of strong pro-Russian sentiments.

78. *Saffet (Arikan).*

Born about 1885. A former staff colonel. Was on the staff of Izzet Pasha in the Yemen in 1912. During the war served at Gallipoli and in Mesopotamia. In 1920 was military attaché at Moscow. In July 1923 elected Deputy for Izmit. From March 1925 until March 1931 was secretary-general of the People's party, and as such exercised much power and influence. He had complete control over the party, and was responsible for the arrangements for the complete success of the Kemalist nominees in the general election of September 1927, he himself being returned for Erzincan. In November 1927 he became president of the Foreign Affairs Commission of the Assembly, and in the same month he headed a Turkish mission to Moscow for the celebrations in connexion with the tenth anniversary of the Soviet revolution. From there went on to Paris and London. In the autumn of 1930 and winter of 1931 was busily engaged in reorganising the Popular party. Appointed head of Department in Council of State in 1931. Elected secretary of the National Defence Committee of the Grand National Assembly in November 1933. In March 1934 was elected Vice-President of the "Franco-Turkish Friendship" group of the Grand National Assembly. Became president of the parliamentary group of the People's party in March 1935, and was appointed Minister of Education in June, a post which he retained in Celal Bayar's Cabinet (October 1937).

Saffet is probably a dönme (Islamised Jew), and is extremely capable, but is possibly just as untrustworthy. He is, however, friendly and sociable and a good bridge player. He is a close friend of the President of the Republic. Is not considered a suitable choice for the Ministry of Education.

79. *Salih (Bozok).*

Born in 1881. Passed through the military school and was a great friend of Mustafa Kemal, both then and after. Was with him at Tripoli in 1911. Joined the Nationalist movement at the outset and became chief A.D.C. to the President. In 1923 was elected Deputy for Yozgat, and continued to be one of the Gazi's boon companions. In 1926 began to show nervousness regarding the future. In March 1927 was involved in a brawl with Kilic Ali Bey, arising out of baksheesh for Swedish railway concession, and was shot in the leg. By this time his influence was on the wane. In June he suddenly returned to favour and was in close attendance on the Gazi at Constantinople during the summer, as also during the summer of 1928. Re-elected Deputy for Yozgat in September 1927, and since November of that year has been a member of the National Defence Commission of the Assembly. In April 1931 elected Deputy for Bilecik, and again in February 1935.

Salih speaks only Turkish, but is pleasant to talk to. Is a hard drinker.

80. *Suat (Davaz).*

Born in 1878. Studied law in Paris, and in 1912 became secretary at the Sublime Porte. Was a protégé of Talat Pasha, and quickly became head of the Consular and Commercial Department. During the armistice was Director-General of Administration at the Porte, but resigned on the fall of Ferit Pasha. In 1923 became Under-Secretary for Foreign Affairs at Angora, and in 1924 representative at Rome. Appointed Ambassador there in April 1925, and was always on good terms with His Majesty's Ambassador. Transferred to Paris in May 1932.

Suat has at Angora the reputation of being a somewhat aggressive and tiresome person to deal with.

81. *Sakir (Kesebir).*

Born at Veles (Macedonia) about 1882. Educated at Constantinople, and early entered the service of the Ministry of Interior. Was for a time secretary of the Adrianople Vilayet and later became Kaimakam of Ardahan. Became Deputy for Gallipoli in 1920, and throughout the armistice was one of the moving spirits of the Kemalist movement in Thrace. In 1921 was the unofficial Kemalist agent in Sofia, but continued to devote most of his attention to the Thracian movement. In October 1922 he was appointed Vali of Adrianople and established the Kemalist Administration there. Early in the following year he transferred his activities to Constantinople, of which he was for a time Vali. He is a member of the executive bureau of the People's party. In May 1929 became Minister of National Economy, but lost the appointment on the re-formation of Ismet Pasha's Cabinet in September 1930. Chairman of the Economic Committee of the Grand National Assembly since November 1932. Elected Deputy for Tekirdag in

February 1935. On the resignation of Muhlis Erkmen in June 1937 he became Minister of Agriculture, and in October became Minister of National Economy, retaining at the same time the Ministry of Agriculture, in Celal Bayar's Cabinet.

Şakir is a man of wide education, speaks several European languages and has travelled much in Europe. He has some reputation as an administrator, and for the last few years has taken a prominent part in Turkish financial and economic matters, being connected with the Alpullu sugar refinery.

82. *Şevki (Berker).*

Born in Constantinople about 1884, the son of a major-domo of Tevfik Pasha, who saw to the education of his retainer's son at the Galata Saray College, and in 1905 secured him a post in the Foreign Ministry. Accompanied Tevfik Pasha on a mission to Vienna, Berlin and St. Petersburg in 1909. Returned to the Ministry and in 1914 became private secretary to the Minister for Foreign Affairs, holding this post throughout the war. Accompanied Tevfik Pasha to the Paris Peace Conference in 1920 and was later in the year appointed Minister at Stockholm. In 1922 was Under-Secretary for Foreign Affairs under Izzet Pasha in the last Constantinople Government till the collapse of the latter in November. Angora having need of his services, he was summoned to the capital; in 1925 was head of the Commercial Section of the Foreign Ministry, and in August 1926 became Under-Secretary, holding this post till September 1927, when he was elected Deputy for Tokat. In November he became a member of the Budget Commission of the Assembly. For the last few years he has been chief Turkish delegate for the negotiation of commercial and consular conventions with foreign States. Was not re-elected Deputy in the general election of April 1931, and was soon after appointed chief Turkish delegate on the Græco-Turkish Mixed Exchange Commission. Appointed Minister at Madrid in January 1933. Transferred to Sofia in April 1934.

As his record shows, Şevki owes everything to his venerable patron, Tevfik Pasha. He is short and uninspiring, but has a certain capacity. Became much more expansive and affable after his election as a Deputy. Enjoys imperfect health.

83. *Şevki, Mehmet Ali (Athos).*

A grandson of Gazi Muhtar Pasha, who was Turkish High Commissioner in Egypt before the war. Served in the Turkish Embassy in London, as secretary and counsellor, for about eleven years. In December 1930 was transferred to Angora as Director of the Second Section of the First Department which dealt with British Empire affairs. Went to Cairo as Chargé d'Affaires in 1931, and appointed Minister there in January 1933.

Şevki was made a pasha by Abdul Hamid at a very early age, in order to console him for the breaking off of his engagement to a Turkish princess. Is fair and English looking, has good manners and speaks English exceedingly well. Is unmarried and of a retiring disposition, but was much liked in London. Plays golf, and is generally very English in his tastes and general outlook.

84. *Şükrü, Saracoğlu.*

Born about 1885. Nothing known of his early history. Since July 1923 has been a Deputy for Smyrna. December 1923 became president of Foreign Affairs Commission of Assembly. November 1924 to March 1925 was Minister of Public Instruction in Fethi Bey's Cabinet. In July 1925 became chief Turkish delegate on the Commission for the Exchange of Populations. In this capacity visited Geneva in December 1926, and in the same month signed the Turco-Greek Convention. In May 1927 he was given charge of negotiations for purchase of Anatolian Railway, which was concluded in December 1928, and in November, when Ismet Pasha reconstructed his Cabinet, he became Minister of Finance. As such he was intimately concerned in the Ottoman Public Debt settlement of 1928. In 1930 he came in for much criticism in connexion with the Turkish financial crisis, and one of Fethi Bey's principal objects in founding the new Liberal party was to get rid of him as Minister of Finance. In this he failed, but Şükrü Bey resigned in December on account of ill-health. In October 1931 was sent on a special mission to the United States of America ostensibly to get into touch with American business circles, but really in the hope of obtaining American financial co-operation in Turkish public works. Early in 1932 resumed in Paris negotiations with bondholders in consequence of Turkey's inability to continue payments agreed on in 1928, and in April 1933 signed a new agreement

more favourable to Turkey. Appointed Minister of Justice in May, and retained his post in Celal Bayar's Cabinet (October 1937).

Şükrü Saracoğlu is delicate in appearance, and is probably a Moderate. Is believed to be very capable, has plenty of drive, is popular and was on excellent terms with his Greek opposite number in exchange matters. He has acted as Minister for Foreign Affairs during Tevfik Rüştü's numerous absences abroad.

85. *Şükrü Kaya.*

Born about 1884 at Kos, where he still owns property. Before the war was an official of the Ministry of Justice, and in 1914, as a civil inspector, accompanied the Embassies' delegates who enquired into the Greek deportations around Smyrna. Was then of advanced ideas and a protégé of Talat Pasha. Was deported to Malta in the early armistice, and on his liberation identified himself with Mustafa Kemal. Was a member of the Turkish delegation to the first Lausanne Conference. Mayor of Smyrna in 1923, when he was a failure. In July 1923 elected Deputy for Menteşe, which he still represents. In March 1924 charged with deposit of the ratification of the Lausanne Treaty, and went to Paris and Berne. In the same month became president of the Foreign Affairs Commission of the Assembly. In August became Minister of Agriculture, and in November Minister for Foreign Affairs. Resigned in March 1925 and was reappointed president of the Foreign Affairs Commission of the Assembly, holding this post till the autumn of 1927. During this period he exercised considerable influence over Turkish foreign policy. In November 1927, on the reconstruction of Ismet Pasha's Cabinet, he became Minister of Interior, and quickly effected drastic administrative changes, more particularly in the eastern provinces, where he caused the military régime to be suppressed in December. Was under a cloud for a time in consequence of the Prime Minister's tour of the Eastern Provinces in the summer of 1935, when numerous abuses were brought to light. Appointed Secretary-General of the People's party in June 1936, in succession to Receb Peker. Visited Moscow in July 1937. Retained the Ministry of the Interior in Celal Bayar's Cabinet (October 1937).

Şükrü is a coarse but vigorous personality, and is by no means unintelligent. Not too well liked by other leading Turks, who regard him as a poseur. Is a hard drinker and an intimate counsellor of the Gazi. Has a wife, who now speaks fair French and is more often seen in diplomatic society than formerly.

86. *Şükrü Nayli (Gökberk), General.*

Early history unknown. Elected Deputy for Kirklareli (Kirk Kilise) in 1923. In October of that year was in command of the Turkish troops which entered Constantinople after the Allied evacuation, and remained in command of the IIIrd Army Corps stationed at Constantinople. In October 1924 resigned his deputyship on opting for military duties. Promoted Divisional General in August 1926. Was transferred to the Balikesir command in 1934, but resigned before the end of the year. Elected Deputy for Istanbul in February 1935, and in November chairman of the National Defence Committee of the Assembly.

General Şükrü Nayli had the reputation of being an intelligent and up-to-date soldier, with pleasant manners and a European outlook.

87. *Tevfik, Colonel.*

Born about 1880. Mother a Bagdadi, father a Turk. Left the military school in 1908 and, in view of his marked intelligence, proceeded direct to the Staff College, whence he graduated in 1912. In 1914 he was appointed to the staff of the 19th Division, where he served under Mustafa Kemal. Later, he served in the Caucasus, and was on the staff of Ismet Pasha in Palestine. Joined the Nationalist movement at the beginning, and was appointed to the General Staff of the Ministry of National Defence, with rank of colonel. Was Turkish military adviser at the Lausanne Conference 1922-23. In June 1924 became secretary to the President of the Republic, and held this post till November 1927 in spite of Ismet Pasha's efforts to appoint him to various missions abroad. He represented Turkey at the Arms Traffic Conference at Geneva in the early summer of 1925. In November 1927 was appointed Ambassador in Moscow, but only remained there till May 1928, when he was at Angora in attendance on the King of Afghanistan, whom he accompanied to Tehran. He there signed the Turco-Persian Neutrality Protocol, and on his return resumed his duties as

private secretary to the President, who refused to be without him. In November 1930 he was a member of the Turkish delegation at the Geneva Preparatory Disarmament Conference, and again in February 1932. Suddenly fell from favour in March after mysterious quarrel with the Gazi, and has since been living in disgrace at Constantinople.

Colonel Tevfik is tall, fat and pleasant, and was, until his fall, completely identified with Mustafa Kemal. He speaks German, Russian and French. Always affable, his relations with the British delegates at Lausanne were very cordial. He is married.

88. *Tevfik Kâmil.*

Born in 1880 at Salonica and educated there. A career diplomat. Studied law in Paris until 1911, and entered diplomacy after teaching for some time at Stambul University. He was second secretary to the Turkish delegation at the Second Lausanne Conference in 1923, and on his return to Angora became Under-Secretary for Foreign Affairs. As such he was charged with the negotiations of friendship treaties with several foreign countries, and gradually exercised increasing influence. Resigned in October 1925 on his election as Deputy for Constantinople. In 1926 he became a member of the Foreign Affairs Commission of the Assembly, and by his expert knowledge made his influence felt. In 1927 he was responsible for the drafting of a new and very important law on Turkish nationality. Represented Turkey at an International Cattle Plague Conference at Adana in November 1927. Elected one of the quæstors of the Assembly a year later. Soon afterwards succeeded Cemal Hüsnü Bey as chief Turkish delegate on the Mixed Exchange Commission, where he was a great improvement on his predecessor. Is a hard worker, and a tower of strength to the Foreign Ministry, with which he is always in close contact. In April 1931 was appointed Minister at Sofia, where, according to the Turkish press, he was active in prosecuting local Turkish journalists for anti-Kemalist publications. In October 1933 he confided to His Majesty's Minister that he was practically in exile at Sofia, and that he was thoroughly disgusted with Mustafa Kemal and his régime. Transferred to Madrid, as Minister to Spain and Portugal, in April 1934.

Tevfik Kâmil is without doubt very capable. He is, however, shy and reserved, but when better known is pleasant in conversation and ready freely to express his views on questions which interest him. He is married.

89. *Tevfik Rüştü* (*Aras*), *Dr.*

Born about 1885. Doctor in the sanitary service. In 1909 was secretary-general of the Committee of Union and Progress Congress then held. Served as a doctor during the Balkan War, and was made prisoner by the Serbs. In 1920 was a member of a mission to Russia, and later, during the Nationalist movement, was the director of an Angora newspaper. Elected Deputy for Smyrna in July 1923, was secretary of the Foreign Affairs Commission which considered the Lausanne Treaty. Later in the year was appointed president of the Turkish Commission for the Exchange of Populations, and early incurred criticism because of his alleged failure adequately to protect Turkish interests. Resigned in September 1924 over the "établis" issue, but subsequently withdrew his resignation and resumed negotiations for the conclusion of a Turco-Greek agreement. In March 1925 became Minister for Foreign Affairs. Proceeded to Europe on various missions, particularly in connexion with the Mosul question, and signed the Angora Treaty in June 1926. During the summer of 1926 his position was weakened owing to his relationship (brother-in-law) with the late Dr. Nazim, whose death sentence he endeavoured to have commuted, but this effect was apparently only temporary, and he again seemed fairly established when he met M. Chicherin at Odessa in November. During the following months rumours of his impending resignation were current, but these proved unfounded, and he retained his portfolio when Ismet Pasha reconstructed his Cabinet in November 1927. In March 1928 attended the Preparatory Disarmament Conference at Geneva, and during the year his position seemed to become steadily stronger. In September 1930 paid an official visit to Moscow. In November headed the Turkish delegation to the Preparatory Disarmament Conference at Geneva, and in December visited Signor Mussolini at Rome and was received by the King. Was the moving spirit on the Turkish side in the Graeco-Turkish rapprochement which led to M. Veniselos's visit to Angora in October 1930, when the treaties were signed, and his own and the Prime Minister's return visit to Athens in

October 1931. In January 1932 went to Tehran to sign frontier agreement, and in February led Turkish delegation to Disarmament Conference at Geneva. Was elected vice-president of Naval Commission of conference. In April and May paid official visits to Moscow and Rome with Ismet Pasha. Again led Turkish delegation to Disarmament Conference in January and April 1933, and to Economic Conference at London in June. Displayed great political activity during 1934, chiefly in connexion with the Balkan Pact, which he signed on behalf of Turkey at Athens on the 9th February. Was President of the Council of the League of Nations early in 1935, presiding over its eighty-fourth and eighty-fifth sessions in January and April; and was member of the Committee of Five which submitted proposals for a solution of the Italo-Abyssinian conflict in September. He won a great personal success as leader of the Turkish delegation to Montreux which secured the signature of the new Straits Convention in July 1936. He also led the Turkish delegation to Geneva in December 1936 when the question of Alexandretta was discussed. Accompanied Ismet Inönü to Belgrade in April 1937. In July he paid official visits to Bagdad, Tehran (for signature of the Pact of Sadabad) and Moscow. In September he was at Geneva, when Turkey failed to secure re-election to the Council, but rumours that he had earned the President's disapproval for his conduct of the affair were proved unfounded by his retention in Celal Bayar's Cabinet October 1937.

Tevfik Rüştü is dishevelled in appearance and veils his features behind monumental dark glasses. He is so volatile and voluble that he appears inane. His real influence on Turkish foreign policy is difficult to determine, and it seems probable that he is content for the most part to take his orders from his superiors. Has an unattractive wife, who has succeeded in learning a little French, and a pleasant, though very strictly brought-up, daughter, who is married to a junior member of her father's Ministry.

90. *Yakup Kadri* (*Karaosmanoğlu*).

Born about 1880. A journalist by profession, and the author of a number of novels. Elected Deputy for Maraş in 1923 and for Mardin in 1927. In the same year he was elected a member of the Foreign Affairs Commission of the Assembly, and his influence at Angora, until then slight, began to increase. Was one of the Turkish delegates to the Inter-Parliamentary Congress at Paris in June 1928, and to the (first) Balkan Conference at Athens in October 1930. In April 1931 was elected Deputy for Manisa, and in October was one of the Turkish delegates to the (second) Balkan Conference at Constantinople. Was one of two Turkish delegates to Journalists' Congress at Moscow in the summer of 1934, and in October resigned his deputyship on being appointed Minister to Albania. Transferred as Minister to Prague in March 1936.

Yakup Kadri is small and undistinguished in appearance, and of a delicate constitution. His wife is pleasant, and speaks English.

91. *Yunus Nadi.*

Born in 1878. Educated in Rhodes. Became a protégé of Abdin Pasha Dino, who put him in charge of his farms, but dismissed him after two years because of abuses. Emerged from obscurity in 1908 and became one of the Committee of Union and Progress members for Smyrna in the Chamber of Deputies. In 1911 became editor of the Committee of Union and Progress *Tasviri Efkâr*, and in 1918 started the *Yeni Gün*. In 1908 received £T. 30,000 from the secret Committee of Union and Progress funds. Was imprisoned soon after the armistice, but was soon released, and published attacks on the Allies in his newspaper. On occupation of Constantinople in March 1920 he escaped to Angora, having for some time previously been in touch with Mustafa Kemal. Began publishing his paper there, and became Deputy for Smyrna. In February 1921 was a member of the Angora peace delegation to Rome, Paris and London. In the autumn he fell foul of Mustafa Kemal because of his sympathy with Enver, but in 1922 was received back into the fold, and for some time was president of the Foreign Affairs Commission. Throughout this period he wrote many Russophil articles, and was a bitter Anglophobe. Has been Deputy for Menteşe (Mugla) since 1923. In 1924 edited the *Cümhuriyet* in Constantinople, and soon after the *Yeni Gün* ceased publication. Since 1923 has been president of the Constitution Commission of the Assembly, and, 1926–27, was also a member of the Foreign Affairs Commission. In 1927–28 took the leading part in an enquiry into the peculations of the former Ministers of Marine and Commerce—a curious selection. Spent the summer of 1928 in Russia and Germany, and, on

his return, markedly displayed his Russophil sentiments. In November became member of executive bureau of Popular party. In 1929 again visited Germany several times. During the summer of 1931 engaged in the scurrilous press controversy with journalists of the Opposition, which led to the stringent press law of the 24th July, directed against the latter. Accompanied Ismet Pasha and Tevfik Rüştü Bey on their official visit to Athens in October. In December 1931 became chairman of the board of directors of notorious drug factory at Constantinople, since suppressed as part of anti-narcotic campaign instituted by the Gazi, with whom he seems to have lost influence.

Yunus Nadi is short and stout and wears pince-nez. He is intelligent and Turkey's best leader-writer, but is ready to tack to any wind; is an excessive drinker and an unscrupulous scoundrel, whose general behaviour disgusts even the Turks.

92. *Yusuf Kemal (Tengirşenk).*

Born in 1878 at Sinop. Entered the military school, but transferred in 1901 to the school of law, from which he graduated in 1905. Practised in Constantinople and was for a short time Deputy for Kastamoni, but in 1909 joined the Opposition. In 1910 resigned his seat and spent the following two years in Paris studying law. Throughout the war practised as a barrister in Constantinople. October to December 1919 was Under-Secretary for Justice, and on being sent on a mission of reconciliation to Anatolia, was won over to the Nationalist cause and did not return to Constantinople. Became Minister of Economics early in 1920. In 1920-21 proceeded on mission to Moscow and Tiflis and attended the Baku Congress. Became Minister for Foreign Affairs in May 1921, and throughout his tenure of office was in close touch with Moscow. Proceeded to Paris and London as head of the Angora peace delegation in March 1922. Resigned in October, nominally on grounds of ill-health. In July 1923 was elected Deputy for Sinop, and in the following month was president of the Foreign Affairs Commission, which examined the Lausanne Treaty. In January 1924 became Turkish Ambassador in London, but resigned in May on opting for his deputyship. In November was a rival candidate to Kâzim Pasha for the presidency for the Assembly, but was defeated, and for a time took no prominent part in political life, being understood to be out of sympathy with the President of the Republic. From 1925–27 he was, however, reporter of the Justice Commission of the Assembly, and in 1927 accompanied the Minister of Justice to The Hague in connexion with the "Lotus" affair. He was re-elected Deputy in September and became a member of the Economic Commission of the Assembly. In September 1930 became Minister of Justice in Ismet Pasha's new Cabinet, and again in May 1931. Resigned office in May 1933, ostensibly for reasons of health, but really, according to rumour, owing to dissatisfaction at non-removal of Court of Appeal from Eskişehir to Angora. Re-elected Deputy for Sinop in 1935.

Yusuf Kemal is a good speaker and nourishes Bolshevik sympathies, but only in so far as these do not clash with his ideals of Turkish nationalism.

93. *Zekâi (Apaydin).*

Born in Bosnia in 1878. A graduate of the Mülkiye School and became kaimakam and mutessarif. Was Deputy for Adana in the first Angora Assembly, and in 1921 was a member of Bekir Sami Bey's peace delegation to London. In the following year Turkish economic expert at the Lausanne Conference. Was a member of the Independence Tribunal.

Elected Deputy for Aydin in July 1923, he became Minister for Agriculture in March 1924. In September was appointed Ambassador to London, but was recalled early in 1925 owing to his having, on his own account, proposed a direct deal over Mosul, which he was instructed by Angora to withdraw. In May was appointed Ambassador at Moscow, and in November 1926 was present at Odessa at the interview between M. Chicherin and the Turkish Minister for Foreign Affairs. Resigned in September 1927 on his election—possibly not of his own volition—as Deputy for Divarbekir. A member of the Foreign Affairs Commission of the Assembly. In 1929, when all Powers were obliged by the denunciation of the Commercial Treaty of Lausanne to negotiate fresh treaties, was appointed chief of the delegation for the negotiation of commercial treaties. Appointed Minister of Public Works in Ismet Pasha's new Cabinet, September 1930, and Minister of National Defence in December 1930 and again in May 1931. Resigned in March 1935 to make way for Kâzim Özalp, and appointed Ambassador at Moscow, for the second time, in June.

Zekâi carries under a mop of grey hair a perpetual expression of puzzled benignity. He is an industrious worker and a good chief, but of so narrow an outlook as to drive his subordinates to the verge of despair. He has been reported as being anti-British in sympathy in the past, and when in London alienated Turkish sympathisers by his lack of courtesy towards them. During the negotiation of the Anglo-Turkish Commercial Treaty he was, though slow in the uptake, friendly and helpful in finding the way of compromise. Is no conversationalist.

94. *Zeki Mesut.*

Born at Aydin in 1889. Graduated from the Constantinople Mülkiye (Civil) College in 1910. Was employed in various financial capacities and twice went to Europe as a student inspector. In 1920 became member of the Council of Education, and in 1927 director of the Mülkiye College. In September of that year was elected Deputy for Adrianople, and in November secretary of the Foreign Affairs Commission of the Assembly, of which commission he is still a member. In 1929 took an increasingly prominent part in the discussion of foreign affairs, on which subject he contributed numerous articles to the semi-official press. Was a member of the Turkish delegation to the Balkan Congress at Athens in October 1930. Elected Deputy for Diyarbekir in April 1931 and again in February 1935.

Zeki Mesut wears behind his glasses the strained expression of a short-sighted man who refuses to wear any. He is friendly, but not unduly communicative. He speaks good French.

Obituary.

Nuri Conker.

Annex.

List of New Surnames.

8. Afet (Mlle).	51. Inonu, Kâzim, General.
4. Ağaoğlu, Ahmet.	18. Inönü, Ismet, General.
32. Ağaoğlu, Fuat.	90. Karaosmanoğlu, Yakup Kadri.
22. Akaygen, Mehmet Emin.	85. Kaya, Şükrü.
9. Akbuytoğan, Ali Said, General.	81. Kösebir, Şakir.
41. Alataş, Hulusi, Dr.	70. Köken, Rahmi.
83. Alkan, Mehmet Ali Şevki.	27. Kurtoğlu, Faik.
26. Altay, Fahrettin, General.	65. Menemencioğlu, Numan.
34. Apak, Mehmet Hamdi.	25. Naxonun, Esmi (Mme.).
93. Apaydin, Zekâi.	30. Oğuzer, Fethi.
89. Arus, Tevfik Rüştü, Dr.	53. Orbay, Kâzim, General.
78. Arıkan, Saffet.	46. Ongören, Ibrahim Tali.
50. Atatürk, Kemâl.	52. Özalp, Kâzim, General.
28. Atay, Falih Rifki.	62. Özkan, Muzaffer Şeref.
38. Atkay, Ali Haydar.	2. Öznen, Abidin.
58. Atmer, Mehmet Esat.	72. Peker, Receb.
66. Balta, Nuri.	1. Rendu, Abdülkadir.
14. Bayar, Celal.	24. Sagay, Esat.
73. Bele, Refet, General.	30. Saka, Hasan.
82. Berker, Şevki.	84. Sarıoğlu, Şükrü.
18. Bilsel, Cemil, Professor.	74. Saydam, Refik, Dr.
57. Bozkurt, Muhittin Esat.	55. Soyaktekin, Kâzim, General.
79. Bozok, Salih.	17. Sökmen, Ihsan, General.
31. Çakmak, Fevzi, Field-Marshal.	92. Tengirşenk, Yusuf Kemal.
5. Çetinkaya, Ali.	59. Tanriöver, Hamdullah Suphi.
80. Davaz, Sunt.	71. Tarhan, Rana.
63. Ehlendz, Naci, General.	77. Toprak, Sabri.
11. Erkin, Behiç.	21. Tör, Edip.
68. Erkmen, Mehlika.	42. Tugay, Hulusi Fuat.
61. Ertegün, Mehmet Münir.	6. Türkgeldi, Ali.
45. Gazioğlu, Hasan.	75. Ulusoğlu, Kâzım Ismet.
86. Gokbork, Sukrü Saadi, General.	40. Ünsal, Hifzi.
10. Gündüz, Asim, General.	17. Uybadın, Cemil.
29. Güney, Cevat Abbas.	

[E 1184/82/44] No. 7.

Sir P. Loraine to Mr. Eden.—(Received March 3.)

(No. 76 E.)

Sir, *Angora, February* 8, 1938.

I HAVE the honour, with reference to Mr. Morgan's despatch No. 544 E. of the 9th September last, regarding the establishment of factories under the Turkish first Five-Year Plan, to inform you that the rayon mill at Gemlik and the worsted spinning mill at Brusa, which have been erected by the Sümer Bank, were ceremonially opened by the President of the Republic, accompanied by the Prime Minister and the Ministers of the Interior and Public Works, on the 1st and 2nd February respectively.

2. The rayon mill is stated to be capable of producing 300,000 kilog. of rayon annually, which is estimated to be sufficient to cover local needs. The worsted yarn factory will produce 1 million kilog. of fine yarn every year, or about 80 per cent. of the country's needs.

3. At the opening of the Brusa factory the Prime Minister is reported to have said that the factory had cost £T. 3,500,000. Raw materials, including 150,000 kilog. of mohair (a figure which the acting commercial counsellor considers may be exaggerated), up to a (presumably annual) total value of £T. 2,750,000 would be used there, and the factory would employ 1,800 workmen. It would be able to supply the whole needs of the country in worsted yarns—with the exception of the very finest qualities—and would render unnecessary the importation of the yarns hitherto brought from abroad by the Fezhane weaving mill, opened two years ago, and by other factories.

4. Referring to the rayon factory, which had been opened on the previous day, the Prime Minister recalled the foundation last November of a cellulose factory, which will shortly supply both the rayon and paper industries with their raw material. He went on to say that the activity of the rayon factory, in addition to being in itself an achievement, and the first step in the development of the cellulose industry under the first Five-Year Plan, would increase the consumption of rayon and thereby contribute to the reduction of silk prices and the cost of living.

5. According to Mr. Unwin's information the two mills will now be fully active: hitherto, although technically complete, they had not been working to anything approaching their full capacity. Mr. Unwin also observes that while the Prime Minister hailed the opening of these two mills as a step towards the reduction of the cost of living, M. A. E. Yalman, writing in the *Tan* newspaper of the 4th February, states that although the cost of Turkish yarn will be higher than that of imported yarn, the country will gladly bear the burden on account of the advantages to be derived from greater industrial activity at home.

6. The *République* of the 3rd February also published a leading article on this subject from the pen of Yunus Nadi; a copy of the article is enclosed herein.(1) It will be observed that after emphasising the progress which is being made with the whole Five-Year Plan, the writer gives interesting details of the advantages which the inauguration of these two mills will bring to the country.

7. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

(1) Not printed

[E 916/82/44] No. 8.

Sir P. Loraine to Mr. Eden. (Received February 17.)

(No. 85 E.)

Sir, *Angora, February* 12, 1938.

I HAVE the honour, with reference to Mr. Scrivener's despatch No. 15 E. of the 11th January, regarding the issue of a new Turkish internal loan, to transmit to you the accompanying translation of the final text of the law on this subject, No. 3322 of the 22nd January, published in the Turkish *Official Gazette* of the 27th January. It will be observed that the final text is identical with that

of the Bill transmitted under cover of Mr. Scrivener's despatch under reference, apart from the last sentence of article 5, articles 6 and 7, and the addition of the date "1938" in the last sentence of article 1. The law entered into force on the 22nd January.

2. In the course of the debate on this Bill, the Minister of Finance is reported to have announced that the object of the measure, in so far as concerned the exchange of 1933 bonds, was twofold: in the first place, the exchange of external bonds, the quotation for which in Turkey was £T. 14½, against internal bonds, nominally worth £T. 20, was intended to compensate holders who had suffered from the devaluation of the French franc, in which the 1933 external bonds are expressed. In the second place, it was desired to withdraw the 1933 bonds from the market altogether, and so put an end to speculation. A further advantage which would be reaped by the State from this conversion would be a reduction in interest of 40 piastres per bond, or, in round figures, £T. 200,000 on the whole quantity now in circulation.

3. In this connexion the comments of the editorial in the *Economiste d'Orient* of the 10th January may be of interest. The writer states that it has always been the policy of the Government to free itself as far as possible from the burden of obligations taken over from the Ottoman Government, and above all to reduce its foreign liabilities, so that the whole of the foreign exchange available may be devoted to industrial and commercial objects. With this object in view, the amount of the foreign debt was gradually reduced, under the Ismet Inönü Cabinet, to one-tenth of the figure at which it stood in 1922. At the same time the foreign concessionary enterprises, which were still maintaining themselves in Turkey, although they were in no position to repatriate their capital, were bought out one by one on advantageous conditions. A factor which has helped considerably towards the fulfilment of this policy has been the downward trend of the French franc. The Central Bank has ably assisted the Government's policy, thanks both to its gradually increasing reserves of gold and foreign exchange and to the capability of its governor; and it must be admitted that for the last two years the Ottoman Bank, pursuing a realistic policy under the inspiration of M. Boissière, has lent its aid unstintingly to the Turkish Government.

4. As regards the "Unitures" (1933 external debt), which are quoted on the Paris Bourse, the Government has periodically authorised the entry into Turkey of large consignments, larger, indeed, than the market could absorb, with the result that prices have slumped and the Ministry of Finance has withdrawn some of them from circulation at very profitable prices. When as large a quantity had been purchased as the state of the Treasury funds or credits permitted, the door was closed to further imports, thereby preventing a continuation of the fall in price. Unfortunately, however, these measures were not sufficient to produce a rise in the price of the bonds. To private speculation on the Paris Bourse was added local speculation, and many Turkish holders of these bonds took fright and sold them at a loss. Only those persons can have held on to theirs who had guessed the designs of the Ministry of Finance. At all events, the Ministry of Finance should have been able to redeem large quantities of these bonds at £T. 11 or 12. It is to be hoped that they did.

5. The writer closes his reference to the "Unitures" by saying that, while the quotation for internal debt bonds has remained steady during the past year, that for the external debt has varied alarmingly, and that the Turkish currency cannot be said to be effectively stabilised until the Government stocks are also stable. It will be remembered in this connexion that the introduction of the Bill authorising the exchange of "Unitures" for internal debt bonds produced an immediate improvement in their price (see paragraph 3 of Mr. Scrivener's despatch under reference).

6. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

[E 947/947/44] No. 9.

Sir P. Loraine to Mr. Eden.—(Received February 17.)

(No. 35. Most Confidential.)
(Telegraphic.) *Angora, February 17, 1938.*

MY telegram No. 32 of 1937.

Following is a rendering of French translation of draft note in German communicated by German Ambassador in reply to Turkish note to the German Chargé d'Affaires of 9th March, 1937 (the note has been sent in draft form in order to allow the Turkish Government to study its proposals):—

"German Government has taken cognisance with satisfaction of the fact that the Turkish Government are willing to allow all Powers, without distinction and on the same footing, to enjoy advantages provided in new statute for the Straits for international commercial navigation.

"German Government, for their part, agree that provisions of convention signed at Montreux should also be recognised as obligatory in relations between the Reich and Turkey by agreement between these two States.

"Nevertheless, German Government find themselves obliged to state that such agreement could not in any way change the situation of keeping the Reich as a non-member of League of Nations, no less as regards the Covenant of the League than in respect of treaties of mutual assistance concluded with reference to the Covenant; and German Government must reserve to themselves complete liberty of decision in so far as the League Covenant and aforesaid treaties are mentioned in articles 19 and 25 of convention signed at Montreux. Moreover, German Government must make it clear that they consider restrictions resulting from said convention on the right of passage of warships and transit in flight of military aircraft as a special contractual arrangement and not as an application of rules of public international law.

"German Government express the hope that Turkey, having regard to this understanding, will intervene in the event of revision of convention signed at Montreux in favour of participation of the German Reich in negotiations and in decisions.

"German Government will regard an understanding to this effect as having been realised so soon as Turkish Government shall have communicated their concurrence in the present statement."

See my immediately following telegram.
Please send to Berlin.

[R 1572/23/22] No. 10.

Sir P. Loraine to Mr. Eden.—(Received February 19.)

(No. 39. Confidential.)
(Telegraphic.) *Angora, February 18, 1938.*

MY telegram No. 31 and Athens telegram No. 32.

Minister for Foreign Affairs gave me some further information as regards Italy.

Italy now recognises already that Turkey cannot be separated from the United Kingdom and sees that Balkan *Entente* is still bent on co-operation with His Majesty's Government.

Italy is now reproaching Turkey with some vigour with being the principal obstacle to an Anglo-Italian agreement. She complains that amongst secondary Powers with whom she entertains friendly relations Turkey alone is intransigent and, unlike, *e.g.*, Holland, Roumania, Yugoslavia and Belgium, &c., stolidly refrains from the slightest mark of friendliness.

His Excellency was aware of reports being circulated that Turkey was seeking a large-scale bargain with Italy. He said I at least would not believe them and that they were, in fact, utterly nonsensical. As regards Montreux Convention, Italy was now anxious to adhere. I asked what about projected Italian reservations. He said they would be either fallacious altogether or be innocuous.

Turkey's attitude towards recognition of Italian position in Ethiopia will be clear to you from my telegram under reference.

Furthermore, in the last few days Herr Hitler's *coup* as regards Austria had laid bare Italy's impotence, *vis-à-vis* her partner in the axis.

Italian Ambassador here was now, he said, virtually begging Turkish Government to facilitate an Anglo-Italian agreement.

We must appraise Italian Ambassador's action with a little caution. As I have reported previously, he has always considered it was a serious mistake for Italy to quarrel with England; and it is doubtful whether his views carry much weight in Rome.

However that may be, Dr. Aras evidently thinks Italy is moving gradually towards the end of her tether; and that agreement with England is becoming almost each week more imperative necessity for her; and Dr. Aras himself would welcome such agreement provided, of course, that its terms were entirely [? group omitted] to England.

(Repeated to Rome and Athens.)

[R 1605/23/22] No. 11.

Sir P. Loraine to Viscount Halifax.—(Received February 21.)

(No. 45. Very Confidential.)
(Telegraphic.) *Angora, February 21, 1938.*

MY telegram No. 39.

I shall not be astonished if you continue to hear rumours of undue Turkish friendliness towards Italy and of Turkish disposition to strike a bargain over Italian adhesion to Montreux and Turkish recognition of Ethiopia.

My personal opinion is that there is no change at all in Turkish attitude and feeling towards Italy; and that Turkish Government are deliberately allowing such rumours to pass unchallenged as a matter of tactics and in the hope that Italy may be the more tempted to reach agreement with His Majesty's Government and thus become less dependent on Berlin.

(Repeated to Rome. Saving.)

[R 1949/172/19] No. 12.

Sir P. Loraine to Viscount Halifax.—(Received March 2.)

(No. 59.)
(Telegraphic.) R. *Angora, March 1, 1938.*

MY telegram No. 68.

Anatolian Agency publishes to-day the text of additional treaty to Græco-Turk Treaty of 30th October, 1930, and pact of 14th September, 1933. The text was initialled here on 28th February. The treaty will be signed at Athens in April, when Turkish President of Council returns General Metaxas's visit.

Following is substance of the new treaty:—

1. If one of the high contracting parties is the victim of a non-provoked aggression, the other undertakes to observe neutrality by opposing, by armed force if necessary, any use of its territory by the aggressor for military purposes.

2. If one of the high contracting parties is the object of a hostile act, the other will do its utmost to remedy the situation; if war nevertheless ensues, the two high contracting parties undertake again to examine the situation with a view to finding a solution in conformity with their higher interests.

3. Both parties undertake to prohibit in their respective territories any activities directed against the other.

4. They agree that all engagements, whether bilateral or multilateral, which they have contracted shall continue in full vigour independently of present treaty.

5. The treaty is concluded for ten years and enters into force on exchange of ratifications. It will continue in force for the same period if not denounced one year before its expiry, and similarly in future.

6. Their relevant provisions notwithstanding, the Græco-Turkish treaties of 1930 and 1933 shall have same duration as present treaty.

The text follows by post.
(Repeated to Athens.)

[E 1193/135/44] No. 13.

Sir P. Loraine to Mr. Eden.—(*Received March* 3.)

(No. 100. Confidential.)

Sir, *Angora, February* 16, 1938.

I HAVE the honour to acknowledge the receipt of the telegram No. 21 of the 14th February, by which you were so good as to invite an expression of my views about the possibility of any kind of statement, short of an assurance, being made by you to the Turkish Ambassador in London, which would allay Turkish doubts (assuming they exist) about British support in the event of Turkey being the victim of an aggression.

2. It would simplify my answer to express the view, and it is the view I hold, that the postulate is false. You yourself were unable to notice anything in Dr. Aras's attitude, when you met him last month in Geneva, that appeared to justify the apprehensions alluded to in your telegram, and in the frequent conversations I have had with Dr. Aras since returning from leave in October, and both before and since his journey to Geneva, not only have I not perceived any suggestion of such apprehensions, but I have received a number of indications that Turkish foreign policy is more firmly set than ever in the channel of co-operation with His Majesty's Government, that Turkish confidence in the wisdom of British efforts to ensure peace and security is unbroken, and that Turkish faith in British power, in British goodwill towards Turkey and in the guarantee against international lawlessness and abuse represented by British sea power has remained unshaken.

3. On the other hand, I entirely appreciate the force of your view that the question under discussion is one about which no risks can be taken.

4. It is clearly not easy to formulate a statement which, while avoiding a definite assurance that armed British support would be given to Turkey in the event of her being attacked, would suffice to remove Turkish doubts on the subject, if they really exist. If the wording of such a statement appeared ambiguous to the Turks, they would undoubtedly ask for an interpretation of its precise meaning. I think there is one form which a statement of the suggested character might perhaps take; to the effect that His Majesty's Government would regard an unprovoked aggression on Turkey as a special case in the category of circumstances in which, in your speech at Leamington of the 20th November, 1936, and after describing the extent of British definite obligations to furnish armed assistance, you stated that British armaments *may* be used in bringing help to the victim of an aggression in any case where, in the judgment of His Majesty's Government, it would be proper under the provisions of the Covenant to do so; that is to say, a special case of non-automatic obligation to take military action. Supposing, even so, the Turkish Government sought an interpretation of the statement, it might be added that, while His Majesty's Government continued to be unable to assume a further automatic obligation, they nevertheless regarded the safety of Turkey from aggression as a matter affecting important British interests.

5. Even, however, if you regarded a statement on these lines as being non-objectionable both from the political and parliamentary point of view, I could not be quite certain whether the Turkish Government would regard it as measurably increasing the security of their territory, though they would doubtless welcome it as a more definite affirmation than has hitherto been [illegible] of British interest in Turkish freedom from aggression.

6. But I must also express some doubt, based on my knowledge of Turkish psychology, whether a unilateral statement would be wholly welcome to the

Turkish Government. You will remember that when, after the Italian military victory in Ethiopia, the reciprocal guarantees for mutual assistance exchanged during the sanction periods between His Majesty's Government and Turkey—and other Mediterranean States—His Majesty's Government decided that these assurances could safely lapse, but assured Turkey, and the other Governments concerned, that on the British side the guarantee stood during the period of uncertainty that might precede the regularisation of the position in the Mediterranean, the Turkish Government, alone among those with whom such assurances had been exchanged, replied that their guarantee towards His Majesty's Government equally stood during the period of uncertainty. The feeling here was that Turkey's national dignity made it undesirable that she should enjoy a guarantee without herself being bound by a similar one. In the matter under discussion, I foresee the likelihood that this feeling of national dignity would once again obtrude itself, and that an exchange of statements would be regarded as more consistent with Turkey's standing in the world and her honour.

7. Assuming this to be true, I believe it would be possible to move the Turkish Government to make a statement to you to the effect that any threat of disturbance of the *status quo* as regards the Suez Canal or to free communication along that seaway, would be regarded as adversely affecting important Turkish interests.

8. Before the entry into force of the Anglo-Egyptian treaty, such a statement would certainly have been open to grave objection, and would, I feel sure, have been regarded by you as an infringement of the kind of Monroe doctrine established by the United Kingdom in respect of Egypt and the Sudan by the declaration of 1922. That objection, and its sources, have presumably lapsed with the advent of the Anglo-Egyptian treaty. A Turkish statement to the effect suggested, if not found objectionable for reasons other than those examined above, would truly record the deep change which has taken place in Turkey's conception of her interests. Whereas in 1915 Turkish arms were despatched in an arduous operation across the wilderness of Sinai, for the purpose of attacking and destroying the Suez Canal, I have no doubt that in a grave emergency His Majesty's Government could rely to-morrow on Turkish military support in defending the Canal and keeping it open for the sea communications of all friendly and peace-seeking nations.

9. The considerations developed in the preceding paragraphs suggest that, postulating the existence of Turkish doubts, the method of an unilateral statement or exchange of statements, is not necessarily what is wanted to remove them. I do not deny that the method might be successful; but I beg leave to suggest that, besides an exchange of statements, there are other means for effecting the purpose which might usefully be considered.

10. In my own opinion, by far the most important and efficacious means would be an intensification of British assistance to Turkey in developing Turkey's own capacity of defence against aggression. It must surely be axiomatic that if Turkey's powers of defence are increased and rendered more efficient, the risks (*a*) of an aggression on her territory, (*b*) of the United Kingdom having to take military action to support her, are *pro tanto* diminished. It is certainly the case that, for a variety of reasons, Turkey is willing and anxious to receive British assistance in completing her sea and air armaments up to the ceiling fixed by the Turkish General Staff as ensuring complete security, and is unwilling to seek or receive assistance in the same direction from other countries.

11. You are now aware of Turkey's desiderata in the matter of ships and aircraft, and I am sending to Sir Alexander Cadogan some further details in this regard. I may remind you, however, of the great significance attached by Turkey to the evidence of British goodwill towards her, as evinced by the conclusion of the contract for the Iron and Steel Plant at Karabük. The intervention of His Majesty's Government in financing the project through the agency of the Export Credits Guarantee Department, proved to the Turkish Government and to Turkish public opinion that the United Kingdom wished Turkey to be strong, and understood that in no conceivable circumstances could Turkish arms again come into conflict with those of England.

12. I am quite certain in my own mind that it is on these lines that we can assist Turkey most effectively. Considering the limitations placed by a variety of [illegible] principally [illegible] and Turkey's slender

resources in sterling exchange—I do appreciate what a great effort has been made, largely thanks to your own generous support of my recommendations, to assist Turkey in these matters. I must, however, risk being considered importunate if I again urge them strongly on your attention. Practical help to Turkey in the completion and maybe even in the organisation of her national defences will be worth dozens of statements, whether unilateral or exchanged.

13. Two other possible methods I will merely indicate, should you wish to consider them. I should be happy to develop my own ideas if required :—

(1) Visit to Angora of a British Cabinet Minister.
(2) Visit of a British squadron commanded in person by Commander in-chief, Mediterranean.

14. I am myself against statements or assurances unless their meaning and obligation are entirely clear. I am most in favour of material assistance in the ways that Turkey most needs and most desires it.

I have, &c.
PERCY LORAINE.

P.S.—Since drafting what precedes, I have received Sir Sydney Waterlow's telegram, to the effect that the King of the Hellenes referred to doubts in the mind rather of the Turkish General Staff than of the Turkish Government themselves.

It is, of course, most difficult for anyone to know what is passing in the head of that most secretive body, the Turkish General Staff. Such glimmerings as I do get come from Dr. Aras, and I feel pretty confident that, had the General Staff been urging such doubts on the Turkish Government, Dr. Aras would have found some way, direct or indirect, of letting me know what was afoot. I should in any case have doubted the authenticity of King George's information in this regard; the fact that Dr. Aras has mentioned nothing to me strengthens me in this view. One thing is certain: The Turkish Government, notwithstanding the great regard they have for the General Staff and for the person of Marshal Fevzi Çakmak, are masters in their own house, and their decision will prevail over the views of the General Staff in matters of policy.

It is Atatürk, the power behind the Government and the power behind the army, who is most assiduous in forging the links of sympathy, friendship and co-operation between Turkey and the United Kingdom. I feel able to assure you with real confidence that the Turkish Government have moved a good deal further along the road of friendship and co-operation with the United Kingdom than was their intention, let us say about three and a half years ago, when the desire on the Turkish side to recreate Anglo-Turkish friendship first manifested itself. The impulse has been Atatürk's; the able and very willing instrument of his policy has been Dr. Aras. To-day, not only the Turkish Government, but the Turkish people, have seen the justification of Atatürk's Anglophil policy. There are no regrets at the developments which his wisdom has promoted, and it is he who has imprinted its steadfastness and consistency on Turkish policy in our regard. My belief is that Atatürk regards the relationship to-day between Turkey and the United Kingdom as an unwritten alliance, which would operate if Turkey were the victim of an aggression; that he neither needs nor asks any guarantee except that which is implicit in British honour and British good faith; that he would consider Turkey's guarantee, within her means, to support the United Kingdom in an emergency as no less binding in honour.

If there is anything behind the information on which the King of the Hellenes spoke to Sir Sydney Waterlow and Lieutenant-Colonel Ross, I surmise it to be that the Turkish General Staff is disappointed about the difficulties they have encountered, however inevitable to those who understand the circumstances, in obtaining the armaments of various kinds that they would far preferably acquire from the United Kingdom.

You will certainly be conscious that in the person of Atatürk you are dealing with one of the most constant factors as well as with one of the most determined and clear-sighted statesmen on the world's stage to-day. As regards Turkish faith in and co-operation with the United Kingdom the die is cast.

P. L.

[E 1194/26/44] No. 14.

Sir P. Loraine to Viscount Halifax.—(Received March 3.)

(No. 102 E.)
My Lord, *Angora, February 22, 1938.*

I HAVE the honour, with reference to Mr. Morgan's despatch No. 353 of the 16th June last, regarding the presentation to the State of the President's model farms, to transmit to you the accompanying translation of Law No. 3308 of the 10th January,(1) published in the Turkish *Official Gazette* of the 13th January, which creates a new State organisation for agricultural exploitation. The purpose of this organisation is to take over and develop all farms and estates formerly belonging to Atatürk, and any other agricultural institutions which the Council of Ministers may decide to transfer to it. I may also invite a reference to Mr. Morgan's despatch No. 595 E. of the 8th October last.

2. The new body is formed on lines similar to the Denis Bank (please see my despatch No. 20 E. of the 14th January) and is dependent on the Ministry of Agriculture. The Governing Council is under the personal presidency of the Prime Minister. The nominal capital is £T. 15 million, composed of the capital invested in the farms and other establishments which will be taken over, of profits to be obtained from their working, and of credits to be voted by the State.

3. The organisation will create new centres of agricultural exploitation, workshops and factories which will serve the double purpose of models and of distributing centres for stock, and will constitute foci for the encouragement and assistance of agriculture and agricultural industries in general. It will run silos and granaries and deal with matters of warrant. It will also participate in existing organisations, where it does not create new ones, will obtain concessions and permits relating to agricultural matters, and conduct commercial, transport and credit operations.

4. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

(1) Not printed.

[E 1196/82/44] No. 15.

Sir P. Loraine to Viscount Halifax.—(Received March 3.)

(No. 107 E.)
My Lord, *Angora, February 25, 1938.*

I HAVE the honour, with reference to my despatch No. 76 E. of the 8th February, regarding the establishment of factories under the Turkish Five-Year Plan, to inform you that, according to a communiqué made to the Agence Anatolie and published in the *Journal d'Orient* on the 19th February, the contract for the supply of the machinery for a cement factory to be built at Sivas has been awarded by the Sumer Bank to a German firm of the name of Humboldt, who have also been entrusted with the preparation of the plans for the construction of the whole factory.

2. It is stated that the erection of the building itself will begin in April, and the installation of the machinery in October next. The factory is intended to start operations in July 1939 and will produce at first 90,000 tons of cement per annum. It will be capable of producing double that amount. The raw materials used will be obtained locally from a site 3 kilometres distant and will be conveyed to the factory by means of an aerial ropeway.

3. The object of establishing this factory is to supply cement at cheap prices to the eastern and central provinces.

4. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

[E 1197/373/44] No. 16.

Sir P. Loraine to Viscount Halifax. —(*Received March 3.*)

(No. 108 E.)

My Lord, *Angora, February 25, 1938.*

I HAVE the honour, with reference to my despatch No. 705 E. of the 27th November, 1937, analysing the movement of Turkish foreign trade during the third quarter of 1937, to transmit to you herewith tables showing the distribution of Turkey's trade with her principal suppliers and customers during the final quarter of last year (tables 1 and 2) and during the whole year 1937 (tables 3 and 4) compared with the final quarter and the whole of the year 1936, respectively. The commentary on these tables which follows is divided into two parts, the first dealing with trade during the final quarter of last year, while the second covers the year's trade as a whole.

Final Quarter of 1937.

2. The value of imports into Turkey during the final quarter of 1937 was greater by 10 million liras, or 40 per cent., than the value of imports effected during the same period of the preceding year. The value of exports also increased, but not by so large a degree, the difference amounting to 7 million liras, or just over 7 per cent.

	Last Quarter 1936.	*Last Quarter 1937.*
	£T.	*£T.*
Imports	25,876,044	35,140,706
Exports	53,342,299	60,871,956

These figures show also that exports exceeded imports during the period under review by £T. 25,761,250, as compared with the slightly larger difference of £T. 27,666,255 which resulted from the trade of the corresponding period of 1936.

3. There were no momentous changes in the direction of trade, as between the two quarterly periods. The first places continued to be occupied by Germany, the U.S.A. and the United Kingdom in that order, both as regards imports and exports. Imports into Turkey from Germany once more increased substantially. At the same time, there was a general increase in imports from other principal suppliers with the single exception of Italy. The most notable change to record occurred in the position of India, which occupied the seventeenth place in 1936 and has risen to sixth place in 1937 with over a million Turkish pounds worth of imports into Turkey during the quarter. Increases of a less abrupt nature also occurred in the imports from the Netherlands, Egypt, Belgium and Palestine, who took the places of Roumania, Finland, Japan and Switzerland among the most important suppliers in this period of the year.

4. In the domain of exports there were only three countries out of the first twenty-seven whose purchases in the final quarter of the year were less than in 1936, namely, Germany (decrease of £T. 5 million), Greece and India. The two latter countries are not in any case important customers. With these exceptions there were substantial increases in exports to every country. The increase in shipments to the U.S.A. alone would have made up for the decline in exports to Germany, while purchases by the United Kingdom and Austria increased by £T. 800,000 in this quarter, and those made by five other principal customers, by £T. 500,000 or £T. 600,000 each.

Year's Trade, 1937.

5. Over the twelve months ended the 31st December, 1937 (see tables 3 and 4), the value of imports into Turkey increased by £T. 22 million, while there was an increase in exports amounting to £T. 20 million in comparison with the previous year. The favourable balance of trade was maintained, though at a

slightly lower figure, amounting to £T. 23,604,525 in 1937 as compared with £T. 25,201,679 in 1936.

Year's trade—	*1936.*	*1937.*
	Value in £T.	
Imports	92,531,404	114,370,026
Exports	117,733,153	137,953,851
	Volume in Kilogrammes.	
Imports	491,893,610	874,083,791
Exports	880,164,826	1,060,464,170

These figures show that the value of imports rose by 23·7 per cent., while their volume increased by only 16·7 per cent. In exports the proportion was reversed, for the value of exports rose by only 17·6 per cent., while their volume expanded by 20·6 per cent.

6. One factor which has probably contributed to the increased cost of Turkey's imports in relation to their volume is the sustained delays in payment which were experienced by all save a few countries. It must also be considered that the bulk of Turkey's imports consist of manufactured goods, the prices of which tended to be higher in 1937 than in the previous year.

7. The fact that the total value of exports failed to increase in proportion to their volume during the course of last year may be attributed to the abstention of German buyers for a part of the year, which allowed prices to find their own level. Were it not that Germany had continued, until mid-February, to buy Turkish produce at rates considerably higher than those ruling elsewhere, it is probable that the fall in value would have been more marked. The absence of German buyers after February was due at first to the refusal of the Turkish banks to finance exports to Germany so long as the delays in transferring payment through the clearing account remained at nearly nine months, and subsequently, when the first difficulty had been overcome, to the policy pursued by the German licensing authorities, who would only authorise imports into Germany of staple Turkish produce at prices well below those ruling elsewhere (see my despatch No. 723 E. of the 3rd December last.

8. The table of imports (No. 3) shows that Germany has still further consolidated her position as a supplier of Turkey's needs, although owing to the increase in total imports her percentage share fell slightly from 43 per cent. in 1936 to 42 per cent. in 1937. The share of the United States also increased, both actually and in proportion to the total imports, while imports from almost all the principal supplying countries grew considerably. Only two changes occurred in the order of importance of the first twelve supplying countries; Egypt rose from fifteenth place to seventh on the list of suppliers and India from twenty-first to ninth place, taking the places of France and Switzerland. Italy, Belgium and Palestine also greatly increased their shares of imports into Turkey.

9. Countries which lost ground by comparison with the preceding year were Austria, Czechoslovakia, France, Finland, Japan, Norway, Poland, Spain and Switzerland. In most cases this was due either to reluctance to sell on the part of the merchants in these countries, or even in some cases to a deliberate policy of imposing a check on exports to Turkey, on account of the large sums lying blocked at the Central Bank of the Republic of Turkey in favour of the exporters of the country in question. A reference to table 4 will show that in every case (except for Japan and Spain, where the reason for smaller trade is obvious) the countries from which imports into Turkey have declined during the past year have increased their purchases of Turkish exports by substantial proportions in an effort to restore the balance of their trade. These proportions vary from 40 per cent. in the case of Norway to 90 per cent. in the case of Switzerland and Austria, and even 100 per cent. for Poland. How far this change is due to mutual agreements providing for a margin between the values of the goods taken from Turkey and those shipped to her, and how far to measures taken on their own initiative by the countries themselves or by the merchants, with the object of increasing their purchases from Turkey, it is impossible to say.

10. In the field of exports, the policy of the Turkish Government in insisting wherever possible on a margin in favour of Turkish exports,

or on the insertion in new agreements of clauses providing for compensation trading (the protocol to the recent agreement with Sweden, reported in my despatch No. 50 E. of the 29th January, is especially interesting in this connexion), appears to have borne fruit, and with the exception of Germany (for the reasons given in paragraph 7), Greece and two minor customers in India and Brazil (and, of course, Japan and Spain), exports to each individual country have increased. These increases have amounted to £T. 6 million in exports to the United States, 5 million to Belgium (this represents an increase over 1936 of 500 per cent.), 3 million to the United Kingdom, 2½ million to the U.S.S.R., 2 million to Czechoslovakia and over a million each to Austria, France and Poland.

11. The order of importance of Turkey's various customers has not greatly changed. Belgium has risen from ninth to the fifth place, but the only other change among the twelve principal countries is the appearance of Poland and Switzerland in the places of Greece and the Netherlands.

12. I have referred in paragraph 5 above to Turkey's favourable balance of trade; and I shall have the honour to address you in a further despatch regarding the composition of this balance, making particular reference to trade with countries of the British Empire.

13. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

Enclosure in No. 16.

Table 1.—*Turkish Imports from Twelve Principal Countries.*

Final Quarter, 1937.

	1936. £T.	*1937.* £T.
Germany	9,106,000	15,044,771
U.S.A.	2,226,842	4,781,763
United Kingdom	1,874,760	2,330,752
U.S.S.R.	1,354,670	2,014,610
Czechoslovakia	806,457	1,326,979
India	257,930	1,066,573
Italy	1,773,290	880,807
Egypt	448,104	713,727
Netherlands	173,820	562,060
Sweden	464,183	549,736
Belgium	87,410	585,621
Brazil	429,072	505,215

Table 2.—*Turkish Exports to Twelve Principal Countries.*

Final Quarter, 1937.

	1936. £T.	*1937.* £T.
Germany	28,276,643	23,020,584
U.S.A.	7,693,599	12,117,960
United Kingdom	3,105,688	3,834,391
Italy	2,384,152	2,907,729
U.S.S.R.	1,631,810	2,204,499
France	1,247,598	1,634,584
Czechoslovakia	924,240	1,533,478
Belgium	848,342	1,419,579
Austria	588,925	1,360,325
Syria	972,053	1,096,770
Sweden	451,129	1,040,301
Poland	723,594	968,548

Table 3.—*Imports from Twelve Principal Countries.*

Whole Year, 1937.

	1936. £T. 1,000.	*1937.* £T. 1,000.	*Percentage of total.*
Germany	41,742	48,132	42·02
United States	8,993	17,295	15·13
United Kingdom	6,103	7,129	6·23
U.S.S.R.	3,034	7,092	6·21
Italy	2,026	6,085	5·33
Czechoslovakia	3,627	3,006	2·53
Egypt	1,334	2,451	2·15
Sweden	2,057	2,147	1·88
India	572	2,039	1·78
Brazil	1,607	2,006	1·75
Austria	2,595	1,847	1·61
Roumania	1,507	1,576	1·38

Table 4.—*Exports to Twelve Principal Countries*

Whole Year, 1937.

	1936. £T. 1,000.	*1937.* £T. 1,000.	*Percentage of total.*
Germany	60,042	50,412	36·53
United States	13,419	19,203	13·92
United Kingdom ...	6,856	9,769	7·08
Italy	4,345	7,266	5·27
Belgium	1,657	6,633	4·81
U.S.S.R.	3,954	6,508	4·72
Czechoslovakia	4,012	6,093	4·41
France	3,828	5,264	3·81
Austria	1,472	2,799	2·05
Poland	925	2,261	1·64
Syria	1,637	2,250	1·64
Switzerland	1,151	2,163	1·67

[E 1198/135/44] No. 17.

Sir P. Loraine to Viscount Halifax.—(Received March 3.)

(No. 109.)

My Lord, *Angora, February 25, 1938.*

I HAVE the honour to inform you that the Turkish press has given due prominence to the circumstances which led to Mr. Eden's resignation, and to the debates in the House of Commons which followed it. Editorial comment has, in general, been objective, and it cannot be said that the press has leant towards one point of view rather than the other. The *République*, for example, describes the differences between the Prime Minister and Mr. Eden as those of method rather than of policy, and it and other newspapers have proclaimed that the object of the Prime Minister's tactics is to avoid war, to prevent war, or at least to retard war: in fact to play for time. The *Cumhuriyet*, for example, wrote: "Mr. Eden has been sacrificed to the desire for peace. England wishes to cling to peace until 1942 when her rearmament will have been completed, but in order to succeed she must state here and now that she has no fear of war." The *Ulus* sees behind the retirement of Mr. Eden an effort to ensure the peace of Europe by the common efforts of England, France, Germany and Italy, and suspects that as part of this plan France will be pressed to separate from Russia. This paper characterised the retirement as a turning point not only in the foreign policy of the United Kingdom, but in the history of international relations.

I have, &c.
PERCY LORAINE.

[E 1469/947/44] No. 18.

Sir P. Loraine to Viscount Halifax.—(Received March 15.)

(No. 73.)
(Telegraphic.) *Angora, March 15, 1938.*

MY telegrams Nos. 39 and 45.

Turkish Minister for Foreign Affairs informs me that the Italian Government have now told him that they will adhere to Montreux Convention, the only reservation being one exactly similar to that allowed in the case of Japan (Italy having ceased to be a member of the League, I presume such a reservation will be in order).

As regards procedure, idea is that there shall be an exchange of announcements: That from the Italian side in the sense of what precedes; that from the Turkish side will officially acquaint the Italian Government with the attitude of Turkey towards question of recognition of Italy in Ethiopia, precisely as set forth in communiqué published by Balkan *Entente* Council on 27th February.

(Repeated to Rome.)

[E 1314/947/44] No. 19.

Viscount Halifax to Sir P. Loraine (Angora).

(No. 40.)
(Telegraphic.) *Foreign Office, March 17, 1938.*

YOUR telegram No. 61 [of 8th March: German accession to Montreux Convention].

Following is summary of despatch by bag drafted before receipt of your telegram No. 73 [of 15th March: Accession of Italy to Montreux Convention]:—

Germany cannot technically accede to convention, which is only open to signatories of Treaty of Lausanne. German Government presumably contemplates special agreement with Turkey, whereby Germany declares her readiness to be bound by convention subject to Turkey's acceptance of certain reservations. But Turkey could not properly accept reservations without submitting them to other parties to convention. Some of parties would certainly make difficulty over proposed reservations, while their acceptance would facilitate Italy's accession with similar reservations, which in view of Italy's geographical position would be cause of even greater difficulty. Reservation of Japan was accepted mainly owing to her geographical remoteness.

2. His Majesty's Government would therefore prefer that Germany did not accede. Failing this, proper course would be a unilateral statement by Germany that she regarded herself bound by convention subject to certain exceptions. Turkey would merely take note of this, adding that she would continue to apply provisions of convention to vessels of all nations. Thus both parties would record their views without assenting to those of other party.

3. It is not clear in any case that either Germany or Turkey gain by former's accession. Many Powers which have not acceded acquiesce in practice in convention. Turkey, for her part, could in any case apply convention to German vessels, and Germany in ordinary circumstances would have no practical means of preventing this. Equally, in case of hostilities, Turkey's position would be the same whether Germany had adhered or not (see paragraph 6 (1)).

4. Details of proposed reservations need to be considered in case Germany accedes by unilateral declaration or otherwise.

5. First part (general reservation regarding League, implying that Germany will not conclude treaties of mutual assistance within framework of League) is obvious statement of fact.

6. With regard to second (reference to articles 19 and 25 of convention, &c.)—

(1) Non-members of League cannot be prevented from regarding action taken on behalf of their enemies by League members, for whatever reasons, as unneutral.

(2) Turkey has not signed any treaties of mutual assistance, and is not bound to do so. She could hardly implement any such treaty without herself becoming belligerent, and will presumably think carefully before signing one.

7. Third (restrictions on right of passage of warships and military aircraft) appears unnecessary, even from German point of view. It makes no difference whether restrictions arise from convention from international law, and if nothing is said Germany may still argue that restrictions are based solely on convention. By adhering she does not imply that restrictions are based on general principle, but rather the reverse.

8. Question whether military aircraft have right in certain circumstances to fly over foreign territorial waters under general principles of international law may turn out to be controversial, and His Majesty's Government would regret to see it prejudiced by German declaration regarding Straits. They therefore consider that inclusion of this part of reservation should be strongly resisted.

9. You may inform Turkish Government of substance of this telegram, but should communicate nothing in way of written notes pending arrival of despatch. You should make it clear that these views, though expressing preferences, are purely objective and inspired in no way by distrust of Germany, but rather by desire to avoid general controversy which might follow German reservations.

10. Reply to your telegram No. 73 will follow.

[E 1314/947/44] No. 20.

Viscount Halifax to Sir P. Loraine (Angora).

(No. 114.)
Sir, *Foreign Office, March 17, 1938.*

I HAVE had under consideration your Excellency's telegrams Nos. 35 and 36 of the 17th February regarding the draft note which the German Government propose to address to the Turkish Government on the subject of Germany's accession to the Montreux Convention. The following are the views of His Majesty's Government, which you may communicate to the Turkish Government to the extent indicated below:—

2. It is not clear what Germany has in mind by the term "accession." Under the relevant article of the convention, accession to the convention itself, as such, is only open to Powers which were signatory to the Lausanne Peace Treaty. Germany is not one of these Powers, and could not therefore accede. What the German Government apparently contemplate, judging from paragraph 5 of their draft note, is something amounting to a separate and special agreement between themselves and Turkey, whereby they would declare their willingness to be bound by the provisions of the convention, subject to certain reservations, and Turkey would agree and accept these reservations. His Majesty's Government do not think Turkey could do this without submitting the reservations to all the Powers which are parties to the Montreux Convention for their consent (see in this connexion paragraph 1 of my predecessor's telegram No. 33 of the 16th February, 1937), and some of these would almost certainly make difficulties. Moreover, such a procedure might encourage other "accessions," subject to similar reservations, and an embarrassing position would result.

3. If, therefore, Germany is to "accede" at all, it should, in the opinion of His Majesty's Government, be done by means of a unilateral statement by Germany declaring that she regarded herself as bound by the convention subject to certain reservations. Turkey would simply take note of this declaration, adding that she would, as heretofore, apply the provisions of the convention to the vessels of all nations as specified therein. In this way both parties would place their position on record without either having assented to that of the other.

4. In the opinion of His Majesty's Government, it would, however, be preferable in every way that Germany should not "accede" at all. As already explained, she is not technically entitled to do so. Her accession would, therefore, be gratuitous, and it is, moreover, not clear that any useful purpose would be achieved by it. Many other Powers which may be supposed to have some degree of practical interest in the convention, including the United States of America, acquiesce in practice in the régime established by the convention, although they have not acceded to it and are unlikely to do so. There is nothing to prevent Germany from following their example.

5. Conversely, it does not appear that Turkey has anything to gain by securing Germany's adherence, which clearly would not take place without some

reservation regarding the League of Nations, and which would, if accompanied by a reservation, give rise, as has been said, to the difficulty that this reservation might not be acceptable to the other parties to the convention, since Turkey can and presumably will apply the provisions of the convention to German vessels whether Germany adheres or not, and in normal circumstances Germany has no practical means of preventing this. In the event of hostilities, moreover, Turkey would, for the reasons given below, run no greater risk if Germany had failed to adhere than she would run if Germany had adhered with this reservation In the circumstances, Turkey would be acting logically if she were to intimate that, unless Germany felt that she could adhere without reservations, it would be preferable that she should leave matters as they are.

6. It should also be remembered that if Italy should accede (as she is entitled to do under the relevant article of the convention) she would certainly want to make reservations of the same character as those of Germany. But these reservations, on account of Italy's position in the Mediterranean, might, in her case, be very objectionable and possibly quite unacceptable. Yet it will be difficult to refuse to accept from Italy what has been accepted from Germany. This reinforces the view that it would be better for Germany not to adhere at all. So far, the only reservations to the convention are those of Japan, which it was felt possible to accept mainly because of Japan's geographical remoteness from the Straits and the unlikelihood of her being involved there.

7. His Majesty's Government would therefore prefer that there should be no accession by Germany. If it is impossible to avoid one, they think it would best be made by a unilateral declaration as indicated in paragraph 3 above. The effect of the German reservations would in that case need to be considered, and appear to His Majesty's Government to be as follows :—

8. The reservation set forth in paragraph 3 of the German draft note falls into three parts : The first part (A), from the beginning of the paragraph to the words " with reference to the Covenant," is a general reservation regarding the League. The second part (B), to the words " signed at Montreux," relates specifically to articles 19 and 25 of the convention. The rest of the paragraph (C) refers generally to the restrictions resulting from the convention on the right of passage of warships, and of transit in flight of military aircraft.

9. As regards (A), if this means anything so far as treaties of mutual assistance are concerned, it seems to mean that Germany will not conclude any such treaties within the framework of the League, any more than she will be a member of the League itself, for the purposes of the convention. This is no more than an obvious statement of fact.

10. The effect of (B) would be that Germany would reserve the right to treat as unneutral any action on the part of Turkey which discriminated against Germany and in favour of some other Power, in virtue of Turkey's League obligations or of her obligations under a mutual assistance pact. In this connexion, the following points suggest themselves :—

(*a*) Whether or not they make a specific reservation in regard to a particular future event, non-members of the League cannot be prevented in practice from regarding assistance given to their enemies by members of the League, for whatever reasons, as unneutral or hostile acts.

(*b*) Turkey has not, so far as is known, yet signed any treaties which she would inevitably have to admit to be treaties of mutual assistance binding upon herself for the purpose of the convention, and is not bound to sign any in future. Since she could in practice hardly implement such a treaty without becoming a belligerent, she will presumably take into account before she does so all the Powers, whether members of the League or not, which might attack her or her allies.

11. From the foregoing it follows that the position remains, in practice, much the same, both for Turkey and Germany, whether this particular reservation is made or not. In particular, if the reservation is made, Turkey runs risks as great, but no greater, than she runs if Germany fails to adhere to the convention.

12. It may be noted as a minor point that in the reservation with which Japan was allowed to sign the convention the word " interpretation " (" appréciation ") was used instead of " decision," and appears preferable

13. Reservation (C) is one to which there seems to be objection. It also appears unnecessary even from the German point of view. Given the fact that there *are* restrictions on the passage of warships and aircraft, it does not make any practical difference whether they arise from the convention only, or would have existed in any case under the general principles of international law. If nothing is said, there is nothing to prevent Germany at any time arguing that, in her view, the restrictions do arise solely from the convention. She does not, merely by adhering to the convention, in any way imply that these restrictions are based on general principles of law, but rather the reverse.

14. For your own information, it is possible that this part of the German reservation is connected with a contention which Germany is now putting forward with regard to Danish territorial waters, that where warships may go so also may military aircraft. This is with a view to obtaining for German military aircraft the right to fly over the Danish belts between the Baltic and the North Sea in time of war. You should not inform the Turkish Government of this. But you should say that this German reservation raises questions and implications of a very difficult nature, particularly that of how far, if at all, military aircraft have any right to fly over foreign territorial waters under the general principles of international law. His Majesty's Government would regret to see this question prejudiced by any German declaration regarding the Straits. For these reasons they consider that there are serious objections to this reservation, the inclusion of which in any statement of Germany's adherence to the convention should, in their opinion, be strongly resisted.

15. I shall be glad if your Excellency will, provided you see no objection, convey the substance of this despatch to the Turkish Government in whatever manner you think best, omitting, however, all reference to the Danish difficulty and dealing with the references to potential German activity in the Mediterranean (paragraph 5) and to Italy (paragraph 6) by word of mouth alone. You should in any case make it clear that your communication, though it may express the preference of His Majesty's Government for one course rather than another, is, in fact, intended to constitute a purely objective analysis of the problem as seen by His Majesty's Government, and is in no way inspired by hostility to, or distrust of, Germany. It is, on the contrary, inspired in a large degree by the desire of His Majesty's Government to avoid a general argument over Germany's adherence, which could hardly improve Germany's relations with the various countries concerned.

16. I am sending a copy of this despatch to His Majesty's Ambassador at Berlin.

I am, &c.
HALIFAX.

[E 1469/947/44] No. 21.

Viscount Halifax to Sir P. Loraine (Angora).

(No. 48.)
(Telegraphic.) *Foreign Office, March* 25, 1938.

YOUR telegram No. 73 [of 15th March : Accession of Italy to Montreux Convention].

You will see from my despatch No. 114 [of 17th March : Accession of Germany to Montreux Convention] that Italian accession with reservations about League of Nations is likely to cause difficulty. Even if His Majesty's Government were prepared, as result of improved Anglo-Italian atmosphere, to raise no difficulty themselves, other parties to convention might prove less conciliatory, especially as final termination of Italy's League obligations does not become effective until two years from 11th December, 1937.

2. Best procedure I can suggest in circumstances is that Italy should notify French Government of her accession to Montreux Convention under article 27 without making any reservations, and should communicate her reservations to Turkey only. Turkey would then acknowledge Italian communication on lines suggested in my despatch under reference for case of Germany, and in a separate communication make her proposed statement about recognition of Italian Empire

3. Please convey these suggestions to Turkish Minister for Foreign Affairs, making it clear that His Majesty's Government are most anxious to facilitate Italian accession, even with proposed reservations, and are only concerned that these reservations should be made in form least likely to give rise to general argument.

(Addressed to Angora, No. 48. Repeated to Rome, No. 140.)

[E 1766/311/44] No. 22.

Sir R. Lindsay to Viscount Halifax.—(Received March 29.)

(No. 243 E.)

My Lord, *Washington, March 17, 1938.*

WITH reference to my despatch No. 52 E. of the 18th January regarding the intention of the United States Government to negotiate a trade agreement with Turkey, I have the honour to report that it is announced that the State Department will send a delegation of officials to Angora to negotiate the agreement. This will be the first occasion on which the State Department have agreed to negotiations being conducted abroad instead of in Washington. The explanation given is that the request was made by the Government of Turkey, and that the number of tariff and other items to be included in the negotiations is small.

I have sent a copy of this despatch to the Department of Overseas Trade.

I have, &c.

R. C. LINDSAY.

[E 1798/797/44] No. 23.

Sir P. Loraine to Viscount Halifax.—(Received March 30.)

(No. 88. Very Confidential.)

(Telegraphic.) *Angora, March 28, 1938.*

MINISTER for Foreign Affairs told me this evening in personal confidence that Herr von Ribbentrop, almost immediately after assuming office as German Minister for Foreign Affairs, addressed himself to Dr. Aras in order to ascertain what were the views of Turkish Government about the future of Turco-German relations.

Dr. Aras tells me that, after careful consideration, he sent a reply to Herr von Ribbentrop in the following sense:—

Turkey's vital needs are peace, security and development. Turkey enjoys very friendly relations with Russia and can never forget support and assistance which Russia gave her in early days of Kemalist Republic. Turkey also enjoys friendliest possible relations with United Kingdom, who, besides being likewise devoted to peace and security, is giving her assistance in her development which goes beyond Turkey's expectations. It would therefore be utterly impossible for Turkey to belong to any combination or to make any engagement which could conceivably be harmful either to United Kingdom or Russia. Turkey is bound to her western neighbours by Balkan Pact and to her eastern neighbours by the Pact of Saadabad. She will faithfully fulfil engagements she has accepted in each case. It is entirely impossible for Turkey to consider any fresh political orientations or engagements except in consultation and agreement with both sets of partners. This being said, Turkey appreciates German friendship and Germany can be assured that Turkey will not join in any combination directed against her. Dr. Aras wishes to know whether, in the opinion of Herr von Ribbentrop, Turco-German friendship can in these circumstances continue on its present basis. Dr. Aras expects to receive Herr von Ribbentrop's reply shortly, and I have no doubt he will acquaint me in due course with its nature.

I took it upon myself to express to Dr. Aras my personal appreciation of direct avowal and [group omitted] his reply. If you are disposed to endorse my appreciation, you may wish me so to inform him.

Please send to Berlin.

[E 1815/373/44] No. 24.

Sir P. Loraine to Viscount Halifax.—(Received March 31.)

(No. 130 E.)

My Lord, *Angora, March 21, 1938.*

I HAD the honour, in paragraph 5 of my despatch No. 108 E. of the 25th February, to state that Turkey's foreign trade in 1937 had resulted in a balance favourable to her of £T. 23,604,525. I now beg leave to transmit to your Lordship two tables, showing the individual items composing that favourable balance. Table I covers those countries with which, individually, Turkey has a favourable balance, while table II covers those with which the balance is adverse to Turkey. The balance at the end of 1936 is shown in each case, for comparison. A third table is also enclosed showing the results of Turkey's trade with the countries of the British Empire.

2. As a result of the restoration of equilibrium between Turkey's imports from Germany and exports to that country, it has been possible for her to sell a larger proportion of her exports in other markets and by this means to obtain, on the year's trade, favourable balances with a large number of countries. In addition to this, even in trade with countries to which Turkey is habitually a debtor on trade balance, there has been a movement in Turkey's favour which has substantially reduced her adverse balances with individual countries. Reference to tables I and II shows that over the thirty countries covered by them, the movement of the balance has been in Turkey's favour in seventeen cases and against her in thirteen cases. The favourable movements have been, moreover, of the order of millions of Turkish pounds, while the unfavourable movements (except in the case of Germany) have not in general amounted to more than some hundreds of thousands of Turkish pounds.

3. The movements in Turkey's favour may be divided into:—

(*a*) Positive movements, which result from an increase in the total trade with a particular country, in which the increase in Turkish exports has exceeded the growth of her imports; and

(*b*) Apparently favourable movements, in which the larger credit balance is due wholly or in part to a decline in imports from a particular country rather than to any actual expansion of Turkish trade.

In the first of these two classes fall Belgium, Canada, Malta, Roumania, the Soviet Union, Sweden, Syria and the United Kingdom; and in the second, Austria, Czechoslovakia, Finland, France, Poland and Switzerland.

4. As regards the movements adverse to Turkey, on the one hand, the measures taken by the Turkish Government in order to limit Turkish exports to Germany, and, on the other, the free exchange facilities granted in respect of goods purchased from the United States of America (including the Philippines), Egypt and Palestine, which have greatly encouraged imports from these countries, have naturally affected Turkey's favourable trade balance.

5. Empire countries (see table III) are all covered by the compensation provisions introduced last July. It will be noticed that the balance in favour of Turkey in trade with the Empire (not including India) amounted to £T. 1,483,000 in 1937. If Turkish exports to Malta and Cyprus in the two final months of the year are subtracted from this amount (Malta and Cyprus were excluded from this group in November), the balance in Turkey's favour is left at £T. 1,318,000. The balance against Turkey in trade with India alone was £T. 1,220,000. In these circumstances Turkey pays for her imports from India by exports to other parts of the Empire.

6. It might be expected that the substantial increases which have occurred in Turkey's credit balances in trade with countries with which she has clearing agreements would have enabled her to reduce the frozen debts accumulated in the Central Bank of Turkey. Although complete figures for the year 1937 are not available as regards the clearing balances, it appears that in no case, except in that of Belgium, has the favourable trade movement had the effect described. In many cases the clearing balances are larger now than at any time during 1937. The reason for this lies in the 20 per cent. or 30 per cent. "margins" granted to Turkey in her clearing agreements, which make any reduction of blocked

commercial debts impossible until the favourable trade balances are considerably higher than they are at present. In the case of the United Kingdom, the balance in Turkey's favour represents 27 per cent. of the amount of her exports, with the result that, notwithstanding the expansion of Anglo-Turkish trade, and the increase of the balance in Turkey's favour by over 2 million liras, there have not been enough funds available during 1937 to pay for her current imports. So long as these conditions continue there can be no hope of a reduction of the arrears due to United Kingdom traders.

7. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

Enclosure in No. 24.

Table I.—Turkish Balance of Trade in 1937.

Favourable balances with :—

	1937. £T. 000's.	1936. + Favourable. − Unfavourable.
Belgium	5,325	+ 1,408
France	4,024	+ 1,493
Czechoslovakia	3,087	+ 385
United Kingdom	2,640	+ 253
Germany	2,280	+ 18,300
United States	1,908	+ 4,426
Poland	1,900	+ 493
Syria	1,418	+ 1,048
Switzerland	1,376	− 916
Greece	1,374	+ 1,452
Italy	1,181	+ 2,317
Austria	951	− 1,123
Malta	677	+ 271
Canada	464	+ 215
Netherlands	254	+ 379

Table II.—Turkish Balance of Trade in 1937.

Unfavourable balances with :—

	1937. £T. 000's.	1936. + Favourable. − Unfavourable.
Brazil	1,649	− 1,246
India	1,220	+ 563
Egypt	1,002	− 84
U.S.S.R.	584	− 1,070
Roumania	551	− 988
Hungary	495	− 179
Philippines	446	− 421
Finland	301	− 1,108
Palestine	285	+ 227
Yugoslavia	233	− 158
Sweden	227	− 396
Spain	186	− 207
Japan	175	− 1
Norway	163	− 458
Bulgaria	106	− 192

Table III.—Turkish Trade Balance with Empire Countries, 1937.

	1937. £T. 000's.	1936. £T. 000's.	Movement in 1937.
Malta	+ 677	+ 271	Increase
Canada	+ 463	+ 215	Increase
Australia ...	+ 169	+ 125	Increase
Cyprus	+ 84	+ 15	Increase
New Zealand ...	− 45	+ 83	Fall
South Africa ...	+ 44	+ 26	Increase
Ceylon	+ 1	− 116	Increase
India	− 1,220	+ 563	Fall

Total favourable balance, 1937 : £T. 1,483,000.

[E 1927/947/44] No. 25.

Sir P. Loraine to Viscount Halifax.—(Received April 4.)

(No. 95.)
(Telegraphic.) *Angora, April 4, 1938.*

MY telegram No. 73.

It is now arranged that Turkish Government will very shortly make proposed communication to Italian Government, adding that they consider their representative as accredited to the King Emperor (this seems to be a slight but relatively unimportant Italian gain).

On the other hand, Italian Government have now definitely promised their adhesion to Montreux, and that they will announce it on Dr. Aras's return here on 18th April from Egypt and Syria. Dr. Aras, adopting your formula as his own, has requested Government to follow procedure suggested in your telegram No. 48; Italian Ambassador is submitting this request to Italian Minister for Foreign Affairs, and Turkish Minister for Foreign Affairs judged from his attitude that there was a fair chance of it being accepted in Rome.

(Repeated to Rome.)

[E 2216/370/44] No. 26.

Sir P. Loraine to Viscount Halifax.—(Received April 19.)

(No. 154 E.)
My Lord, *Angora, April 5, 1938.*

I HAVE the honour, with reference to Mr. Morgan's despatch No. 601 E. of the 9th October, 1937, regarding modifications of the Turkish general imports régime, to transmit to your Lordship the accompanying translation of Decree No. 2/8273 of the 15th March, published in the Turkish *Official Gazette* of the 23rd March, which introduces two further modifications into the régime. The object of the decree is said to be to give greater elasticity to the existing framework of regulations and thereby promote trade.

2. It will be observed that article 1 relates to imports from such countries as normally buy from Turkey more than they sell to her, but which ceased to do so in 1937 and are now, in consequence, Turkey's creditors on balance of payments. The countries whose position has changed in this manner are not named in the present decree, but will be designated in a separate decree or perhaps in a circular. The effect of this article will be that a 20 per cent. margin of free exchange will be reserved to Turkey in trade with the countries affected, and that consequently imports from those countries will be limited to 80 per cent. of the exports sent from Turkey to them.

3. Article 2 relates to imports from countries formerly covered by article 32 of Decree No. 11 for the safeguarding of Turkish currency (and, since last July,

included in the "interchangeable compensation" system), and also to certain imports of raw materials from whatever country they may be imported. This article empowers the Ministry of Economy to stipulate that imports of goods from "compensation" countries (*i.e.*, goods appearing in List II attached to Decree 2/7005) and all imports of the other raw materials named in this present decree may be compensated by exports of Turkish goods to any country whatsoever. The object of this measure is, according to the Assistant Director of the Türkofis, by widening the basis of compensation trading, to render easier the importation of essential raw materials. The Turkish Government consider that by removing all limits or conditions affecting the destination of the compensating exports they will greatly facilitate dealings with colonial produce merchants in Marseilles, Hamburg, London and other ports, as it will no longer be necessary for the exports to be earmarked for a particular market before they leave Turkey, and the merchants will be able to choose for themselves where to dispose of the goods.

4. As regards the second part of this provision, applying to cotton yarns and other goods from whatever source imported, I understand that this does not mean that ordinary imports (payable through the clearing) will be discontinued, but simply that the Ministry of Economy may authorise imports of the essential raw materials above mentioned outside clearing. For example, an import of cotton yarn from the United Kingdom may be compensated by an export of Turkish corn to the United States of America. This may incidentally have a salutary effect on the blocked clearing accounts, for the total value of the raw materials affected is stated to be about £T. 15 million annually.

5. The commercial counsellor of His Majesty's Embassy observes that there is one point to be specially noted by foreign firms who may purchase Turkish compensating exports under the new decree, namely, that these exports will not be saleable in countries having a clearing agreement with Turkey, as otherwise the proceeds of such sales will be earmarked for transfer to Turkey. Colonel Woods is therefore of the opinion that any announcement made to United Kingdom traders in this regard should stress the fact that such compensating exports can only be sold in countries which have no clearing agreement with Turkey and which do not apply exchange restrictions.

6. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

P.S.—Since the foregoing was drafted Colonel Woods has been given to understand that a circular dated the 1st April has been sent to the exchange control offices by the Directorate of Exchange at Angora, instructing them that Palestine and Egypt are the countries affected by article 1 of the decree.

P. L.

Enclosure in No. 26.

Translation of Decree published in the Turkish Official Gazette *of March* 23, 1938.

SUR la proposition du Ministère de l'Economie faite par sa note No. 2592 du 11 mars 1938, le Conseil des Ministres a, dans sa réunion du 15 mars 1938, approuvé la mise en vigueur du décret ci-annexé préparé en vue de fixer les principes par lesquels seront régis les paiements commerciaux des pays dont la balance commerciale avec la Turquie accusait de tout temps un solde actif appréciable en faveur de la Turquie mais qui, à la suite de circonstances anormales, sont devenus créditeurs de la Turquie d'après les statistiques du commerce extérieur turc de l'année 1937, d'établir le mode d'exécution des importations provenant des pays tombant sous les dispositions de l'article 4 du Décret No. 2/7005 et des importations de certains articles provenant de n'importe quel pays.

Décret.

Article 1er. Les paiements commerciaux des pays dont la balance commerciale avec la Turquie accusait de tout temps un solde actif appréciable en faveur de la Turquie mais qui, à la suite de circonstances anormales, sont devenus créditeurs de la Turquie d'après les statistiques du commerce extérieur turc de l'année 1937, seront régis par les principes suivants :

(*a*) Les devises provenant d'exportations faites de Turquie à destination de ces pays seront vendues par les exportateurs à la Banque centrale de la République de Turquie, qui tiendra compte de ces devises par pays.

(*b*) Pour les importations provenant de ces pays il ne sera accordé de devises que jusqu'à concurrence du 80 pour cent du total du compte du pays intéressé indiqué dans le paragraphe ci-dessus.

(*c*) Lesdits pays, ainsi que les marchandises pouvant faire l'objet de compensations privées avec lesdits pays, sous réserve de la marge de devises de 20 pour cent, seront indiqués par le Ministère de l'Economie et annoncés dans le *Journal officiel*.

Art. 2. Le Ministère de l'Economie est autorisé à subordonner les importations provenant des pays tombant sous les dispositions de l'article 4 du Décret No. 2/7005, ainsi que les importations de filé de coton, cuivre, étain, peaux brutes, sacs, fils de jute, tissus en jute, caoutchouc, coprah et quebracho provenant en général de n'importe quel pays, à l'exportation d'une ou de plusieurs sortes de marchandises turques à destination d'un ou de plusieurs pays quelconques et d'ajouter à ceux-ci d'autres marchandises, à valoir à partir de leur date de publication dans le *Journal officiel*.

Art. 3. Les dispositions contraires au présent décret sont abrogées.

Art. 4. Le présent décret entre en vigueur à la date de sa publication et les Ministres de l'Economie, des Finances et des Douanes et Monopoles sont chargés de son application.

[E 2170/135/44] No. 27.

Sir P. Loraine to Viscount Halifax.—(Received April 14.)

(No. 163.)
My Lord, *Angora, April* 9, 1938.

I HAVE the honour to acknowledge receipt of the despatch No. 136 of the 31st March by which your Lordship was so good as to request an expression of my views on the steps which it might usefully be open to His Majesty's Government to take with a view to counteract the increased influence that Germany may be expected to exercise over Turkey, now that Austria has been absorbed into the German Reich and that the latter has thus emerged as a predominant power in Central Europe.

2. In my appreciation it is axiomatic that Turkey will prove herself most unwilling to be drawn into the economic, and far less into the political, orbit of the Reich, and that the degree of her resistance to German overtures in either or both of these directions will be determined in the first place by Turkey's stubbornness in pursuing her established policy in which political commitments to Germany play no part, and in the last resort by the threat to Turkish national security which a rejection of German advances might involve; a consideration which clearly raises the question of the support, moral or other, on which Turkey would feel able confidently to count in the event of German resentment at an unyielding Turkish attitude.

3. I feel it difficult to reply adequately to your Lordship's question solely in the light of Anglo-Turkish relations, and I must ask for your indulgence if this paper appears to digress in some degree from your terms of reference.

4. As regards the attitude of Turkey towards the United Kingdom, there is little that can be added to the series of reports which your Department has received from this Embassy during the last four years. The conclusions might be summarily recapitulated as follows: the "Weltanschauung" of His Majesty's Government in the United Kingdom as regards the ordering of world affairs

and the basis of international relationship appeals far more closely to Turkey than that of any other Great Power; that of Germany probably appeals least. Peace, security and untrammelled internal development in the political, cultural and economic domains are the watchwords of Turkish policy. The British outlook, so long as it can be made to prevail, virtually assures the enjoyment of these inestimable benefits to Turkey; the German outlook threatens them. Experience, eaten to the bone, has shown Turkey that German friendship is at least as dangerous as German hostility; for it spells vassalage. From 1914 to 1918 Turkey kept her pledged word to Germany: in the process the Ottoman Empire was lost. All vain regrets for the loss of areas inhabited by non-Turkish populations have long since been abandoned here: as M. Atatürk said not long ago: "The sick man is dead, but he has left behind him a number of lusty children." Turkey has not a second Empire to lose, nor has she to-day any wish to create one: in developing her still extensive territory, each year becoming more homogeneously Turkish, she has enough to keep her busy for a century. The rulers of Turkey to-day, among their many responsibilities, are most keenly alive to their duty to the Turkish people: it is by the measure of their success in raising up that people, corrupted by centuries of misgovernment, shattered in a dozen wars, to enjoy in peace the benefits of civilisation and prosperity, that they will accept the judgment of future generations. In their settled policy there is thus no room for adventure, nor for pan-Islamism, nor for pan-Turanism.

5. In the sphere of Turkey's external relationships, her position is aptly and succinctly described in Dr. Aras's recent message to Herr von Ribbentrop, of which I had the honour to bring the gist to your confidential knowledge in my telegram No. 88 of the 28th March. I will quote the passage here for convenience of reference:—

> "Turkey enjoys very friendly relations with Russia and can never forget the support and assistance which Russia gave her in the early days of Kemalist Republic. Turkey also enjoys the friendliest possible relations with the United Kingdom who, besides being likewise devoted to peace and security, is giving her assistance in her development which goes beyond Turkey's expectations. It would therefore be utterly impossible for Turkey to belong to any combination or make any engagements which could conceivably be harmful either to the United Kingdom or to Russia. Turkey is bound to her western neighbours by the Balkan Pact, and to her eastern neighbours by the Pact of Sa'adabad. She will faithfully fulfil the engagements she has accepted in each case. It is entirely impossible for Turkey to consider any fresh political orientations or engagements, except in consultation and agreement with both sets of partners. This being said, Turkey appreciates German friendship and Germany can be assured that Turkey will not join in any combination directed against her."

6. But I may add this, and my authority for the immediately ensuing statements is Dr. Aras himself. Turkey is fully aware of the change of equilibrium in Central Europe which Austria's absorption by the Reich has brought about; she is equally alive to the consequent possibilities of encroachment on the liberties of Czechoslovakia and of a disturbance of the equilibrium in South-East Europe. The appearance of Germany as an effective force, no matter under what guise, on the shores of the Adriatic, the Ægean or the Black Sea would represent for Turkey the danger that she dreads most. She would, I think, feel herself confronted, especially as regards the Ægean or the Black Sea, with a choice between fighting, in company with such allies as she could find, to check German expansion, and tamely acquiescing in a position of subservience to the power and ambitions of a militant Reich.

7. Turkey's choice will be determined by that of the United Kingdom if it became apparent that Germany is seeking the hegemony of Europe, heedless of public law and of other interests except her own. Participation in a commonwealth of nations under the ægis of Berlin, such as Herr von Papen is reputed to have outlined, has no attraction for Turkey.

8. But Turkey considers that in the interval, and while there is yet time to mobilise the moral forces that may raise a barrier to German expansion without resort to arms, her responsibilities do not end with herself alone. Her frontier against German expansion is the northern frontier of the Balkan *Entente*. The

Balkan *Entente*, disrupted by German penetration, may desert Turkey: in which case Turkey can still fall back on the United Kingdom and Russia in a struggle to preserve the unfettered independence of her national life and of her action as a State; but Turkey will not desert the Balkan *Entente*. She will strain every nerve to keep it together, and persistently to weld it yet more closely into an international unit that will not bend to the German will, but at the same time will never threaten legitimate German interests. Turkey feels that the lead in the Balkan *Entente* rests with her, and that the careful building up of her national defence forces gives her the power and the right alike to wield it.

9. Her own security, her power to influence her Balkan allies, and henceforth her capacity of resistance to eventual German pressure, would manifestly be greatly enhanced if, following on a Mediterranean agreement between the United Kingdom and Italy, she, together with France and her two Mediterranean Balkan allies, could be associated with the system of guarantees ensuing therefrom. The Turkish desiderata in this respect were outlined in my telegram No. 71, Most Confidential, of the 14th March.

10. The omens in this regard are at the moment not propitious, and you have been so good as to acquaint me with the stumbling-blocks in the way of realisation. His Majesty's Government, however, will doubtless not lose sight of the matter. Turkey regards it as one of fundamental importance. His Majesty's Government would most certainly earn deep Turkish gratitude and greatly strengthen their influence with this country if, by some formula, they found means to secure Turkey's main objectives in this regard.

11. Although I realise that there are many factors in this Mediterranean problem which necessarily escape my appreciation, besides all that hinges on the outcome of the conversations now pending in Rome, I nevertheless wish to include the point because it is definitely a circumstance in which British support for Turkey would actively counteract any attempt by Germany to increase her influence here, and as such is entirely pertinent to your enquiry.

12. In the foregoing paragraphs I have tried to trace in a condensed form the Turkish background in the hope of facilitating your consideration of the matters in hand.

13. Leaving aside, as you request me, the question of British financial and economic assistance to Turkey—and, indeed, I have nothing to add in this regard to paragraphs 10 to 12 in my despatch No. 100 of 31st March—I will turn to your specific questions.

14. In my opinion, the change in the situation brought about by the incorporation of Austria in the German Reich has neither moved Turkish policy from its settled channel, nor diminished in any way the earnest desire of the Turkish Government to co-operate fully and intimately with His Majesty's Government and, so far as in their power lies, to abet the efforts of His Majesty's Government to ensure peace, security and international collaboration.

15. There is no disposition whatever on the part of the Turkish Government to blame His Majesty's Government for not seeking to redress the Austrian position by force of arms. The inclination here is to regret the methods used by Germany to secure her ends in Austria, but not to quarrel with the result, which was thought to be inevitable sooner or later, with the growth of German strength. There is, I sense, relief that no hostilities followed Herr Hitler's *coup* of the 11th March, hostilities which would almost certainly have degenerated into general war. There is a keen appreciation of the British doctrine that automatic engagements to take military action should be limited to regions where vital interests are involved. Alongside this, there is a feeling that, even though the Western Powers were probably right in the case of Austria to accept the *fait accompli*, their position and influence will be fatally compromised if another German *coup de force* is tolerated, *e.g.*, *vis-à-vis* of Czechoslovakia; for then no neighbour of Germany can have any real security, and those who are not neighbours to-day may easily become neighbours to-morrow. Turkey looks to the United Kingdom as the core of eventual resistance to these processes, as the pivot on which the salvation of Europe will turn, as the stronghold of international decencies. I do not think it has even occurred to Turkish statesmen that England can fail to discharge this trust, and the acceleration of British rearmament is their guarantee that she will fulfil it. So long as she does so resolutely, by diplomacy so long as diplomacy avails, by war if there be no other recourse, Turkish diplomacy and Turkish arms will, in my firm opinion, be wielded in her support.

16. Meanwhile, every sign of British interest in Turkey, every British appreciation of the staunchness of Turkish friendship, and of the realities of Turkey's will to peace, will be highly valued in this country; the more so if it is accompanied by a recognition of the tremendous personal influence on these matters which the President of the Republic has wielded with such conspicuous sagacity and resistless energy.

17. For these reasons I am of opinion that a visit to this country by a leading British Minister of State would have excellent results. I have had it in mind for some time past to make a suggestion to this effect. Clearly the visit could best be made by the Secretary of State for Foreign Affairs, but, realising the immense burden that rests on your Lordship's shoulders, and has rested on your predecessors, I have hitherto refrained. Since the events of the 11th March, I am bound to recommend that such a visit be undertaken. One after another the statesmen of Powers, great and small, have made visits to Angora: they have come from Russia, Roumania, Yugoslavia, Greece, Iraq, Afghanistan and, from Iran, the Shah himself, and to-day the Ministers for Foreign Affairs of France, Italy and Germany are planning to come. Dr. Aras went to London for the funeral of King George V; General Ismet Inönü attended the Coronation of their present Majesties. So far as I am aware, no British Minister of Cabinet rank has as yet visited Kemalist Turkey. It is true that King Edward VIII visited Istanbul informally in 1936. The success outstripped all reasonable estimates. In a few hours His Majesty became the idol of the Turkish crowd.

18. I feel that an attention of this kind is owing to Turkey; I am sure that it would be most warmly welcomed. I am not, however, insensible of the difficulties. As regards personalities, it may well prove impossible for your Lordship to spare the time. Would it perhaps be possible for the Secretary of State for Home Affairs to do so? Failing a prominent Minister of the Crown, could the visit be suitably entrusted to a senior statesman of, say, the standing of Mr. Lloyd George or Mr. Winston Churchill? Or could the visit be undertaken by a member of the Royal Family?

19. Whoever the envoy, he should be equipped, I beg leave to suggest, to exchange views with M. Atatürk and with the Turkish Cabinet Ministers, on the broad subject of world affairs as well as on the narrower one of Anglo-Turkish relations. Moreover, to ensure complete success, I think it would be advisable that the visit should produce some concrete result, which would furnish to the man in the Turkish street public proof of British interest in and sympathy for Turkey. This clearly would need to be carefully thought out in advance.

20. As regards the moment, a good one, in my view, would be the 29th October next, the fifteenth anniversary of the Kemalist Republic. If so, I ought to receive early authority to engage the date, so to speak, in advance. It would be inadvisable for such a British visit to share the day with delegates of another Great Power, and I am confident that the Turkish Government, if forewarned of our intention and if still uncommitted to others at the time, would most willingly make the British visit the focal point of their celebrations. It would also probably be possible to arrange that Count Ciano's projected visit, and maybe that of Herr von Ribbentrop also, should be postponed till November or December. If you decided to adopt this project, the preliminary arrangements should, however, be made with the Turkish Government at as early a moment as possible.

21. A naval visit, especially if the squadron were commanded by the Commander-in-chief in the Mediterranean in person, would, I think, be greatly welcomed by the Turkish Government and people alike. The demonstration would be even more impressive if the naval visit also took place in connexion with the celebrations of the 29th October, supposing, of course, that this were agreeable to the Turkish Government. But the aspect of a naval visit to which I would myself attach importance as most likely to impress the Turks would be the size, power and up-to-dateness of the visiting vessels. Here, however, there is a difficulty. If the Commander-in-chief flew his flag in *Queen Elizabeth* or *Warspite*, the tonnage of the visiting squadron would already exceed the limit for such purposes laid down in the Montreux Convention, and tonnage in excess of that limit can only enter the Straits at the express invitation of the Turkish Government.

22. I may, furthermore, beg your Lordship to consider the possibility of some personal attention to M. Atatürk. It is he who some four years ago gave Turkish policy its first Anglophil inflexion; it is he who, notwithstanding the anxieties of the "sanctions" period, the increasing military power and political

magnetism of the totalitarian States, and the apparent weakness of the Western democracies, has never wavered and has continued to strengthen Turkish confidence in the United Kingdom. It would not, I take it, become us to present him, as one of the dictatorships might wish to do, with, *e.g.*, a squadron of aircraft or other lethal weapons, but I would beg your Lordship to consider the possible conferment on him by one of the great English universities of an honorary degree. His title to such recognition of his efforts to encourage education, learning and research on modern lines in this country is a really notable one.

23. It will, of course, always remain true that tangible assistance has more value than demonstrations of goodwill, however sincere these be.

24. Given my personal relations with Dr. Aras, it is always possible for me to discuss matters with him, on the understanding that, if nothing results, nothing has been said. It might perhaps be useful to ascertain whether there is any particular form of friendly demonstration the Turkish Government would themselves welcome, and to test Dr. Aras's reaction to any of the suggestions made in this despatch that may command your approval.

25. A suitable opportunity for the purpose would be from the 18th to the 23rd April, after his Excellency's return from Egypt and before his visit with the Turkish Prime Minister to Greece.

I have, &c.
PERCY LORAINE

[E 2190/948/44] No. 28.

Sir P. Loraine to Viscount Halifax.—(Received April 19.)

(No. 171 E.)
My Lord, *Angora, April 14, 1938.*

I HAVE the honour to inform your Lordship that the Acting Minister for Foreign Affairs summoned the counsellor to His Majesty's Embassy on the 13th April, in order to inform him that the President of the Council wished me to know that about a fortnight previously the Ministry of Finance had informed the Council of the Ottoman Debt of the forthcoming suspension of the payments in free currency on account of the debt annuities. Hitherto one-half of the sums owing had been paid in free exchange and the other half in the form of goods; but it would henceforth be necessary, owing to Turkey's lack of foreign currency, for the whole amount to be paid in goods. Nevertheless, the annual payment of £40,000, gold, for administrative expenses would continue to be paid in free exchange. The Ministry of Finance had warned the Debt Council that failure to accept the proposal would result in measures which would be no less disagreeable to the Turkish Government than to the bondholders concerned.

2. M. Şükrü Saracoglu stated that the Turkish Ambassador in Paris had been instructed about a week previously to inform the French Government in similar terms. The Ambassador had now reported that he had seen M. Massigli, who had expressed the opinion that the French Government (when formed) would be benevolently disposed towards the Turkish proposal. M. Saracoglu recalled that the French Government had agreed in case of need to advance 20–25 million francs annually towards the payment of the annuities on the security of Turkey's share in Iraqi oil royalties (see pp. 11–15 of the report of the Council of Ottoman Debt for 1935–36). This advance had never been made, and the French Government had now, at the request of the Turkish Government, informed the Government of Iraq that the French lien on the Turkish share of the oil royalties was annulled.

3. Mr. Morgan undertook to report to me what M. Saracoglu had told him. He added that, although he did not propose to enter into discussion, which, indeed, he had no authority to do, he would, nevertheless, like to raise one point. Under the terms of the Anglo-Turkish Clearing Agreement Turkey received 30 per cent. of the value of her exports to the United Kingdom in free exchange; this produced a considerable sum in sterling promptly paid. When the agreement was under negotiation, it was clearly understood that this 30 per cent. was being granted on the understanding that it was to cover, *inter alia*, payments to British bondholders. How could Turkey now say that she had no free exchange available for British bondholders, since she was receiving these amounts in free

sterling? M. Saracoglu appeared to be somewhat embarrassed by this question, but endeavoured to avoid the point by saying that in negotiations concerning the debt Turkey had not concerned herself with the nationality of the bondholders, but had treated with the French Government alone, leaving them to arrange with bondholders of other nationalities. This contention is, of course, not accurate, for Turkish and German bondholders receive the full amounts due to them in Turkish and German currency respectively. M. Saracoglu further argued that British bondholders held only a very small proportion of the debt—perhaps 2 per cent. The largest holding was French, and Turkey had repatriated large quantities of the bonds. Mr. Morgan suggested that the British proportion was probably as high as 11 per cent.

4. M. Saracoglu then passed to an attempt to justify the Turkish Government's action by the plea that Turkey was forced to use all her available foreign currency in order to make herself strong, not only in the military field by the purchase of armaments, but also in the economic and social fields. She was Great Britain's friend and Great Britain would surely prefer that Turkey should be strong in order that she might be in a position to help in time of need. He hoped that His Majesty's Government would appreciate the position, which was that Turkey was forced to use free exchange for the purchase of aeroplanes and other war material from the United Kingdom and elsewhere. Mr. Morgan observed that he was not aware than any free exchange had been expended on the purchase of war materials in the United Kingdom, but that he did not desire to enter any argument on the subject or to criticise Turkey's desire to be strong.

5. In the course of the conversation M. Saracoglu claimed that the system of payments in goods had hitherto worked satisfactorily as between Turkey and the Debt Council. And he further stated that Turco-French trade exchanges produced no free exchange at all for Turkey.

6. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

[E 2284/947/44] No. 29.

Sir P. Loraine to Viscount Halifax.—(Received April 21.)

(No. 102.)
(Telegraphic.) *Angora, April 20, 1938.*

MY telegram No. 95.

Minister for Foreign Affairs yesterday sent me message through my counsellor to the effect that he had been informed by Italian Ambassador that his Government still stand by their intention of notifying Paris of their adhesion with reservation as regards League of Nations. Italian reservation will, however, differ from Japanese reservation in that words "State which has given notice of its withdrawal from League of Nations" will be substituted for "State not a member of League of Nations."

Dr. Aras asked for my views on the above suggestion.

I do not read article 27 of Straits Convention as placing obligation on Italy to notify both adhesion and reservation to Paris.

Real objection to Italian proposal seems to be still that mentioned in your telegram No. 48 to me and explained by me to Dr. Aras. His Majesty's Government may not raise difficulty about Italian reservation, and presumably still less so as now amended, but other parties to the convention may.

If I were to urge him, Dr. Aras might care to repeat this argument to Italian Ambassador, remembering, of course, that His Majesty's Government are really anxious to facilitate Italian accession and in form least likely to create difficulty or friction.

Have you any instructions?

(Repeated to Rome.)

[E 2437/797/44] No. 30.

Sir P. Loraine to Viscount Halifax.—(Received April 28.)

(No. 190. Confidential.)
My Lord, *Istanbul, April 23, 1938.*

I HAVE the honour to inform your Lordship that I took the occasion of my meeting with Dr. Aras to-day to express to him, as authorised by your telegram No. 53, your thanks for his courtesy in communicating to me the tenor of the reply that he had returned to Herr von Ribbentrop's enquiry about the Turco-German relations.

2. His Excellency was much gratified by this message, and told me that he had meanwhile received through the Turkish Ambassador in Berlin a reply from Herr von Ribbentrop to the effect that he now well understood the Turkish position, which, indeed, Dr. Aras's communication had made abundantly clear, adding that he might wish to revert to the matter again on a future occasion.

3. I am sending a copy of this despatch to His Majesty's Ambassador in Berlin.

I have, &c.
PERCY LORAINE.

[E 2660/67/44] No. 31.

Lord Halifax to Ray Fethi Okyar.

Your Excellency, *Foreign Office, May 12, 1938.*

I HAVE the honour to inform your Excellency that His Majesty's Government in the United Kingdom have had under their consideration the negotiations with the Turkish Economic Mission headed by your Excellency in regard to industrial credits to be guaranteed by the Export Credits Guarantee Department, and also the desire expressed by the Turkish Government to purchase certain warships and other munitions in this country.

2. As you are aware, the cordial relations which exist between Turkey and this country are a matter of great satisfaction to His Majesty's Government who desire not only to promote close economic relations between the United Kingdom and Turkey to the greatest possible extent, but also to facilitate the purchase in this country of the material which the Turkish Government require for the defence of the Turkish Republic.

3. I now take pleasure in informing you that His Majesty's Government have therefore decided that, subject to the conclusion of an agreement in regard to the Anglo-Turkish Clearing on the lines discussed between the two delegations, they will be prepared to authorise the guarantee of industrial credits up to such an amount as the Export Credits Guarantee Department Advisory Committee may recommend, within a total of £10 million, and also, subject to parliamentary sanction being obtained, to grant credits up to a total of £6 million to the Turkish Government to cover the purchase of the warships and other munitions which the Turkish Government desire to obtain.

4. His Majesty's Government are confident that the decision which they have reached will cement still more closely the friendship between the two countries.

I have, &c.
HALIFAX.

[E 2762/67/44] No. 32.

Ray Fethi Okyar to Viscount Halifax. (Received May 13.)

Turkish Embassy,
Your Excellency, *London, May 12, 1938.*

I HAVE the honour to acknowledge the receipt of your Excellency's note of the 12th May, 1938, in which your Excellency is good enough to inform me that His Majesty's Government, taking into account the cordiality of the

relations which exist between Great Britain and Turkey, and in the desire to promote close economic relations and to facilitate the purchase of the material which the Turkish Government require for the defence of the Turkish Republic, have decided that, subject to the conclusion of the Clearing Agreement, they will be prepared to authorise a guarantee of industrial credits within a total of £10 million, and also, subject to parliamentary sanction being obtained, to grant credits up to a total of £6 million to the Turkish Government to cover the purchase of military materials.

I have not failed to transmit immediately to my Government this decision of His Majesty's Government, and I am sure that they will appreciate very much and be extremely grateful for, this decision which so completely meets their wishes, and that they will be very deeply gratified by the feelings expressed in your Excellency's note relating to the high value His Majesty's Government attach to the continuance and furtherance of the cordial relations so happily existing between our two countries.

In the meantime I wish to express my grateful thanks and have, &c.

FETHI OKYAR.

[E 2872/67/44] No. 33.

Sir P. Loraine to Viscount Halifax.—(Received May 16.)

(No. 116.)
(Telegraphic.) *Angora, May 16, 1938.*

YOUR telegram No. 75.

Prime Minister and Minister for Foreign Affairs returned to Angora yesterday morning and I have since seen them both. There is a really marked satisfaction at decision of His Majesty's Government, of which they received first news on 13th May in Sofia. They by no means underrate its material importance; but they value even more highly its moral significance. When the matter can be publicly announced, they expect a marked and most favourable effect on Turkish public opinion.

President of Republic is also highly appreciative; his comment to Prime Minister was: "That shows that we are on the right road."

Dr. Aras says this striking proof of British friendship and confidence towards Turkey will also assist forthcoming reconciliation between Bulgaria and Balkan *Entente*, regarding which please see my telegram No. 115.

[E 3005/370/44] No. 34.

Sir P. Loraine to Viscount Halifax.—(Received May 23.)

(No. 233 E.)
My Lord, *Angora, May 12, 1938.*

I HAVE the honour, with reference to my telegram No. 113 of the 12th May, to transmit to your Lordship herewith copies in translation of two further notices clarifying the notices already issued in explanation of Decree No. 8273 of the 15th March last.(1) Translations of these notices and of the decree formed respectively the sub-enclosures to my despatch No. 180 E of the 21st April and the enclosure to my despatch No. 154 E of the 5th April.

2. The first article of Notice No. 6 lays down that Decree No. 8273 and the subsequent notices do not apply to goods imported from countries (such as the United Kingdom) which grant to Turkey a margin of at least 20 per cent. in visible trade. It follows that there are in fact no new facilities for payment for United Kingdom goods by means of tripartite compensation such as are described in the fourth paragraph of my despatch No. 154 E. It follows also that the distinction drawn by the commercial counsellor in the fifth and sixth paragraphs of his despatch No. O.T. (B) 111/38 of the 13th April (enclosure in my despatch No. 180 E of the 21st April) between the treatment to be given,

(1) Not printed.

under Decree No. 8273, to United Kingdom goods on the free list (schedule 1) and on the quota list (schedule 2), and to those not on either list, no longer holds good. The wording of the decree itself and of the previous explanatory notices had apparently misled the Turkish authorities in Istanbul, since it was they who, after consultation with the Customs, had supplied Colonel Woods with the information referred to above.

3. The second article of Notice No. 6 describes the treatment to be given to goods from countries which grant a margin in favour of Turkish exports of less than 20 per cent. The conditions applicable to these countries are that the goods mentioned in Decree No. 8273 may be imported from them into Turkey, either

(*a*) Freely, up to the limits of any quotas fixed in the Payments Agreements between their country and Turkey, or

(*b*) By compensation if the principle of compensation is accepted in their agreements with Turkey, and then only in accordance with the conditions for compensation trading laid down in those agreements.

4. Notice No. 5 allows the entry into Turkey of certain consignments of the goods affected by Decree No. 8273, which had been despatched, or for the despatch of which definite arrangements had been made with the approval of the Turkish authorities, before the 7th April (the day on which Decree No. 8273 came into force).

5. I am sending a copy of this despatch to the Department of Oversens Trade.

I have, &c.
PERCY LORAINE.

[E 3164/67/44] No. 35.

Viscount Halifax to Sir P. Loraine (Angora).

(No. 81.)
(Telegraphic.) *Foreign Office, May 27, 1938.*

(R.) FOLLOWING agreements, with various exchanges of notes and letters, were signed this morning (27th May):—

(1) Supplementary Clearing Agreement.
(2) Guarantee Agreement (setting up a successor to Comptoir, called: "Anglo-Turkish Commodities," and providing for industrial credits up to £10 million).
(3) Armaments Credit Agreement.

2. Conclusion of these agreements, with a brief description of each, has been announced by Prime Minister in House of Commons, and texts will be laid as white papers early next week. Copies will be sent to you as quickly as possible.

3. Armaments Credit Agreement is subject to confirmation by Parliament, and it is hoped to introduce necessary legislation towards end of June.

4. You may express to Minister for Foreign Affairs keen satisfaction of His Majesty's Government at successful outcome of these negotiations, and their appreciation of assistance which they have received at all stages from Turkish Economic Delegation. (End of R.)

5. At same time I must warn you that His Majesty's Government may not be able to be as openly enthusiastic over conclusion of agreements, and particularly Armaments Credit Agreement, as Turkish Government might expect. They cannot, for obvious reasons, admit that armaments credits are being granted with the object of encouraging Turkey to become and remain an effective obstacle to German penetration eastwards, and it will be necessary in Parliament and elsewhere to stress the commercial and minimise the political aspects of the agreements. Possibility is, for instance, being considered of having necessary Bill introduced in Parliament by Board of Trade (or Department of Overseas Trade) rather than by Foreign Office. Explanation to this general effect has

been given in confidence to Turkish Ambassador, who will telegraph to his Government. But you may, at your discretion, give similar explanation to Minister for Foreign Affairs, making it clear that any appearance of reserve on part of His Majesty's Government does not mean that they are not highly satisfied at conclusion of agreements.

6. With regard to industrial credits, it may be assumed that all guarantees given by Export Credits Guarantee Department are given with approval of His Majesty's Government, even though as a matter of procedure Treasury sanction alone is normally necessary. It is not desirable to suggest or admit that present credits have been subject of any special consideration or decision

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[E 3254/188/44] No. 36.

Sir P. Loraine to Viscount Halifax. —(*Received June 2.*)

(No. 257.)

My Lord, *Angora, May 25, 1938.*

I HAVE the honour, with reference to your despatch No. 188 of the 10th May and previous correspondence, to transmit to your Lordship herewith an extract from the *République* of the 21st May announcing the laying of a Bill which authorises the Government to contract engagements up to a total of £T. 125·5 million in respect of the Turkish armament programme.

2. As your Lordship will observe from the explanatory memorandum which accompanies the Bill, heavy batteries for coastal defence occupy the leading place. The credits will be spread over ten years, and the interest on the bonds to be issued is included in the total amount. Not more than £T. 12·5 million are to be expended in any one year.

3. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

Enclosure in No. 36.

Extract from the République *of May* 21, 1938.

125 *Millions pour notre Défense nationale.*

Ankara, 20 mai. — Le projet de loi autorisant le Gouvernement à contracter des engagements jusqu'à concurrence de 125·5 millions de livres a été approuvé par les commissions de la défense nationale et du budget, et inscrit à l'ordre du jour de la Grande Assemblée nationale.

Dans l'exposé des motifs de ce projet de loi il est dit :

" . . . . On sait qu'en présence de la situation créée par l'allure générale des questions mondiales, tous les États poursuivent de toutes leurs forces leurs armements en vue d'une guerre future. Il a été donc jugé indispensable de renforcer l'armée au passé historique et glorieux du Gouvernement de la République, qui occupe une position prépondérante par sa situation géographique et politique. Et un nouveau programme d'armements a été élaboré à cette fin, programme qui sera réalisé grâce à l'allocation exceptionnelle de 125·5 millions de livres que nous vous proposons. Nous avons surtout en vue ici la construction de nouvelles batteries lourdes sur nos côtes, l'augmentation de nos forces aériennes, navales, de nos armements lourds et légers, et la réalisation des besoins urgents de nos fabriques militaires."

Le projet de loi a revêtu, en dernier lieu, l'aspect suivant :

" Le Ministre de la Défense nationale sera autorisé à contracter des engagements jusqu'à concurrence de 125·5 millions de livres qui seront transférés du

1938 jusqu'à l'année 1948, soit en dix ans. Les intérêts des bons qui seront émis à cet effet sont compris dans ce montant. La proportion à régler chaque année ne devra pas dépasser 12·5 millions.

" La liquidation de la somme entre nos divers corps de défense se fera par décision du Conseil des Ministres et les annuités à verser seront contre-balancées par une allocation incorporée chaque année dans le budget du département intéressé. Le Ministre des Finances est autorisé à émettre des bons."

[E 3401/373/44] No. 37.

Sir P. Loraine to Viscount Halifax. (*Received June 10.*)

(No. 263 E.)

My Lord, *Angora, May 31, 1938.*

I HAVE the honour, with reference to my despatch No. 108 E. of the 25th February last, to transmit to your Lordship herewith statistical tables of Turkish foreign trade for the first quarter of the current year. The first table gives the values of imports into Turkey from her principal supplying countries, the second those of exports to her principal customers, and the third the balances of visible trade as between Turkey and certain foreign countries.

2. The figures of total trade during the first quarter of 1938 compare thus with those for the same quarter of last year :—

	1937.	*1938.*
Imports	107,194,088 kilog.	159,917,690 kilog.
	£T. 20,801,422	£T. 33,429,124
Exports	303,814,204 kilog.	264,025,945 kilog.
	£T. 36,652,696	£T. 32,622,626
Balance of trade ...	+ £T. 15,761,274	- £T. 806,498

In considering these figures it should be remembered that exports during the first quarter of 1937 were exceptionally high owing to very large purchases made at that time by Germany. In 1936, at this period of the year, the balance in Turkey's favour amounted to slightly over £T. 1 million, a figure comparable to the present unfavourable balance of just over three-quarters of a million. The principal reason for the change as between 1937 and the present year is the restoration of equilibrium in trade with Germany, coupled with very large purchases by Turkey from the United States of America.

3. It may be of interest to record in this connexion that, according to reliable information, the amount of foreign exchange accruing during this period from exports to free exchange countries with which Turkey has no clearing agreement, fell short by about £600,000 of the demand for free exchange for imports from these countries. In the corresponding period of 1937 there was an excess of supply over demand of close on £700,000.

4. Table No. 1 (Imports) shows that the restoration of equilibrium in trade with Germany has been accomplished as much by an increase of 25 per cent. in Turkish purchases in Germany, as by a limitation of exports to that country. Imports from the United States of America have more than doubled as compared with 1937, while equally large or even larger increases have occurred in imports from Czechoslovakia, U.S.S.R., and the United Kingdom. Among the more important supplying countries the only ones which have not increased their contributions have been Italy and Sweden. As regards countries of lesser importance, which do not appear on the attached table, it may be of interest to mention a substantial increase in imports from Egypt and considerable declines in those from Finland and from Roumania.

5. Table No. 2 (Exports) shows that, in spite of the large reductions in exports to Germany which have resulted from the agreement signed in August 1937 (a decrease of 37 per cent. in volume and 38 per cent. in value as compared with the first quarter of 1937), exports to Germany still remain 5 per cent. to 10

cent. of all Turkey's exports. Italy, which occupied a modest place last year with only 4 per cent. of total exports, has now risen to second place with 20 per cent. The United Kingdom has fallen from fourth to sixth place among Turkey's customers in this quarter, and several other countries have purchased less than last year. The only countries to increase their takings at all substantially are Italy, Austria and the Netherlands. It remains to be seen whether Austrian purchases continue to increase after the *Anschluss*. Among countries not included in the table the decrease of Turkish exports has been general in this quarter, the only exceptions to the general rule being Japan (increase from £T. 132,016, ·35 per cent., to £T. 471,783, 1·4 per cent.) and Australia (from £T. 23,237 to £T. 111,914, ·34 per cent.).

6. Table No. 3 (Balances of Trade) shows that there has been a certain rearrangement of trade with the more important countries, and that, except in a few cases, the centre of gravity has changed as compared with last year. Later developments will show whether the change now manifested is to be permanent or whether it is due to purely transitory causes.

7. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

Enclosure in No. 37

Table No. 1.

Turkish Imports from Principal Supplying Countries in the First Quarter of the Year.

	1937. £T.	*1938.* £T.	*1938.* *Percentage.*
Germany	9,086,077	12,711,068	38·02
United States ..	2,463,566	5,663,374	16·94
United Kingdom ...	1,058,353	3,127,452	9·35
U.S.S.R.	962,896	1,960,117	5·86
Czechoslovakia ...	368,051	1,655,019	4·95
Italy	1,844,574	1,553,146	4·65
Belgium	217,838	806,758	2·41
India	274,470	758,085	2·27
Sweden	647,923	590,950	1·77
Netherlands	260,944	535,738	1·60

Table No. 2.

Turkish Exports to her Principal Customers in the First Quarter of the Year.

	1937. £T.	*1938.* £T.	*1938.* *Percentage.*
Germany ...	20,347,746	12,715,048	38·98
Italy	1,508,836	6,587,797	20·19
United States .	4,101,093	2,310,195	7·08
Czechoslovakia .	1,376,328	1,506,036	4·61
France ...	1,129,089	1,312,506	4·02
United Kingdom	1,303,145	1,233,358	3·79
Austria .	487,874	1,206,291	3·70
Netherlands ...	484,374	706,755	2·17
Belgium .	728,737	687,336	2·11
U.S.S.R.	1,817,077	551,933	1·69

Table No. 3.

Turkey's Balances of Trade with Individual Countries in March Quarter.

	1937. £T. 000.	*1938.* £T. 000.
Austria	+ 134	+ 998
Belgium	+ 511	— 117
Brazil	— 480	— 406
Czechoslovakia	+ 1,008	— 149
Egypt	— 86	— 260
France	+ 828	+ 999
Germany	+ 11,202	+ 5
Greece	+ 306	+ 148
India	— 28	— 673
Italy	— 336	— 5,035
Japan	— 148	+ 272
Netherlands	— 77	+ 171
Poland	+ 203	— 25
Roumania	— 430	+ 157
Sweden	— 311	— 460
Switzerland	+ 600	— 44
United Kingdom	+ 335	— 1,892
United States ...	+ 1,698	— 3,353
U.S.S.R.	+ 854	— 1,408

E 3507/135/44] No. 38.

Sir P. Loraine to Viscount Halifax.—(Received June 10.)

(No. 271.)

My Lord, *Angora, June 3, 1938.*

I HAVE the honour to acknowledge the receipt of your Lordship's despatch No. 210 of the 20th May regarding possible measures to counteract an extension of German influence in this country.

2. As regards the suggestion treated in paragraph 3 of your despatch, I fully appreciate the difficulties to which you have been so good as to draw my attention, and entirely agree that, unless the Turkish Government return to the charge, an arrangement such as was suggested should be left in abeyance for re-examination after the results of the present conversations between France and Italy are known.

3. As regards the possibility of a visit to the Turkish capital of a prominent British personage, I remain an advocate of this proposal. I do fear, however, that the effect would not be so good if Angora were included with other neighbouring capitals in a tour; unless, of course, the visit to Angora was timed to coincide with the Turkish national day in October. In the matter of a concrete result, I do not think we need search further; for a result of real solidity and far-reaching importance has already been achieved by the signature last month in London of the new Clearing and Credits Agreement.

4. The matter of a naval visit, in view of the imminent placing of an order for the construction in British yards of a number of vessels for the Turkish navy and for other armaments, has also lost a good deal of its importance. The Commander-in-chief in the Mediterranean has already suggested to me that His Majesty's ships who are to visit Bulgarian and Roumanian ports in the autumn should make visits in transit, to Istanbul, but informally and with a minimum of entertaining. I have for my part concurred in this suggestion, and think that for the present year that amount of exchange of naval courtesies will suffice.

I have, &c.
PERCY LORAINE.

[E 3409/136/44] No. 39.

Sir P. Loraine to Viscount Halifax.—(Received June 10.)

(No. 276.)
My Lord, *Istanbul, June 3, 1938.*

IN my telegram No. 127 of the 28th May, I had the honour to acquaint your Lordship with the remarks made by the Minister for Foreign Affairs in regard to the question of Alexandretta at the conclusion of the debate on the budget of the Turkish Ministry for Foreign Affairs.

2. The earlier part of the debate was remarkable for the violence of the speakers towards France, and was interspersed with such remarks as: "More effective measures must be taken"; "Turkey breaks and crushes those who violate her rights, and at all costs takes what is her right"; "We must settle this matter in a more radical fashion"; "Alexandretta and Antioch are a second Çanakkale"; "I was a member of a group of Deputies formed to promote Franco-Turkish friendship; I withdraw from it."

3. The Minister for Foreign Affairs concluded his speech with a review of Turkey's other foreign relationships, and again singled out France for reprobation, by saying that, "in the east our relations with Soviet Russia maintain their pristine cordiality; in the west our friendly relations are constantly developing, with the exception of those with France." Relations with that country, his Excellency said, were defined by Atatürk in his speech opening the present session of the Assembly, as follows: "I am convinced that the progress of the question of the Hatay in the right direction will constitute, so far as the development of Franco-Turkish relations in the desired sense is concerned, at once a measure and an essential factor."

4. As regards His Majesty's Government, Dr. Aras said that the friendly relations which were continually developing with England, already firmly established, would be still further reinforced as a result of the credit and clearing agreements signed that day in London.

5. Dr. Aras then made deliberately friendly references to Italy and Germany, expressing, as regards the first, appreciation of Italy's adherence to the Montreux Convention, and, as regards the second, stating that a decision to undertake further discussions in Berlin in June encouraged the hope that Turco-German relations would be extended in the economic field.

6. As regards the recent official visits paid by Turkish Ministers, Dr. Aras said that he had been the first Minister for Foreign Affairs to visit independent Egypt, and had been received with every sign of friendship. The Prime Minister and he himself had visited Greece and Yugoslavia; the welcome reserved to them could only be described as a moving demonstration of the "indissoluble fraternal links" uniting the Balkan nations and Turkey.

7. Proceeding, Dr. Aras said that a visit to Roumania had also been decided upon. During their last voyage, he and M. Celal Bayar had visited Bulgaria, and had been able to confirm mutually the relations of friendship and good neighbourliness between the two countries. A visit to Hungary, which was due from Turkish statesmen, was also projected in the course of the present year.

8. Finally, Dr. Aras declared that Turkey would continue to follow, under Atatürk's inspiration, the foreign policy which had won confidence and sympathy both at home and abroad.

I have, &c.
PERCY LORAINE.

[E 3413/67/44] No. 40.

Sir P. Loraine to Viscount Halifax.—(Received June 10.)

(No. 280. Confidential.)
My Lord, *Istanbul, June 2, 1938.*

I HAVE the honour to report that upon receipt of your Lordship's telegram No. 81 of the 27th May I addressed two communications to the Turkish Minister for Foreign Affairs, in the former of which I expressed the pleasure of His Majesty's Government at the successful issue of the Anglo-Turkish negotiations

in London; in the latter I explained confidentially the reasons which led His Majesty's Government to minimise, so far as possible, the political aspects of the recent agreements.

2. These communications were handed to Dr. Aras by the counsellor to His Majesty's Embassy on the 31st May. After reading them Dr. Aras observed that the Turkish Government had been waiting for some such lead; the communications showed that His Majesty's Government were pleased with the results obtained and they also indicated the line which the Turkish Government should follow. He quite understood the point of view of His Majesty's Government, which was, indeed, that of his own Government also. It was not only a kind act on the British part to give the Turkish Government this information, but it was also useful to the latter. Dr. Aras promised to bring the contents of my letters immediately to the notice of the Prime Minister and the President of the Republic.

3. Dr. Aras enquired of Mr. Morgan whether he had noticed that the reference which he himself had made to the agreements, when speaking on the 27th May on the budget of the Ministry for Foreign Affairs, was casual. This was of set purpose. (At the same time he had sought for a particular word—which may be rendered as "the solidity of an impregnable fortress"—to describe the state of the friendship between Great Britain and Turkey.) He had, moreover, included a reference to his hopes of further development of economic relations with Germany as a result of coming negotiations, in order to stress the commercial character of his reference to the agreements with Great Britain. He nevertheless had no wish for any special trade agreements with Germany. In the same way he referred in courteous terms to Italy and to other States (excepting France), so that his speech should not draw concentrated attention upon Turkey's relations with Great Britain and the U.S.S.R. only.

4. The German Ambassador had subsequently enquired of him whether the new agreements meant that German commercial relations with Turkey would suffer. To this he had replied negatively. He had elicited that Herr von Keller was mainly concerned to know whether there would in future be less of Anatolia's raw materials available for Germany; but he was able to assure him that there were raw materials enough and to spare for all purchasers. Other heads of mission had made analogous enquiries and in reply to all he had made it clear that Turkey had not assumed any exclusive engagement to England, but that she was still ready to trade with any country.

5. Finally Dr. Aras remarked that he quite agreed with the policy of making as little outward show of enthusiasm as possible over the agreements. Facts spoke better than words. The facts proved Anglo-Turkish co-operation and friendship better than the eloquence of speech.

I have, &c.
PERCY LORAINE.

[E 3414/69/44] No. 41.

Sir P. Loraine to Viscount Halifax.—(Received June 10.)

(No. 281.)
My Lord, *Istanbul, June 3, 1938.*

I HAVE the honour to inform you that the press on the 31st May announced the intention of the Turkish Government to lay before the Grand National Assembly, in the near future, an Amnesty Bill of fairly wide scope.

2. The most interesting features of the Bill will be the inclusion in the amnesty of the 150 persons mentioned in the protocol to document VIII(1) (Declaration of Amnesty), forming part of the Peace Settlement with Turkey made at Lausanne on the 24th July, 1923, and of persons condemned by Tribunals of Independence.

I have, &c.
PERCY LORAINE.

(1) Cmd. 1929; "Treaty Series No. 16 (1923)": Treaty of Peace with Turkey, &c., pages 193–197

[E 3121/67/44] No. 42.

ANGLO-TURKISH AGREEMENTS.

(With Exchanges of Notes and Letters, signed at the Foreign Office on Friday, May 27, 1938, at 10·30 A.M.)

THE "Supplementary Agreement," *i.e.*, an agreement between the Government of the United Kingdom and the Government of the Turkish Republic supplementary to the Trade and Clearing Agreement of the 2nd September, 1936, with a schedule and agreed minute; and the following notes and letters:—

(*a*) Exchange of notes between the Turkish Ambassador (who was also president of the Turkish delegation) and the Secretary of State for Foreign Affairs relating to certain annuities referred to in article 4 (2) (iv) (D) of the Supplementary Agreement.

(*b*) Exchange of notes between the Turkish Ambassador and the Secretary of State relating to article 4 (2) (iv) (F) (*c*) of the Supplementary Agreement.

(*c*) Exchange of letters between Bay Muammer Eriş (who was vice-president of the Turkish delegation) and the Controller of the Anglo-Turkish Clearing Office relating to article 4 (2) (iv) (F) (*c*) of the Supplementary Agreement.

(*d*) Exchange of notes between the Secretary of State and the Turkish Ambassador relating to article 7 of the Supplementary Agreement.

2. The "Guarantee Agreement," *i.e.*, an agreement between the general manager of the Export Credits Guarantee Department, authorised by the President of the Board of Trade, and the Turkish Ambassador and Bay Muammer Eriş, authorised by the Government of the Turkish Republic, relating to guarantees in connexion with the export to Turkey of goods manufactured in the United Kingdom; in three parts (headed "Technical," "The Sale of Turkish Commodities" and "Guarantees" respectively) and with two appendices; and the following letters:—

(*a*) A letter from Bay Muammer Eriş to the general manager of the Export Credits Guarantee Department relating to the use to be made of the credits granted under the Guarantee Agreement.

(*b*) A letter from Bay Muammer Eriş to the general manager of the Export Credits Guarantee Department relating to article 4 of Part II of the Guarantee Agreement.

(*c*) A letter from Bay Muammer Eriş to the general manager of the Export Credits Guarantee Department relating to article 3 of Part III of the Guarantee Agreement.

(*d*) A letter from Bay Muammer Eriş to the general manager of the Export Credits Guarantee Department expressing appreciation of his conduct of the negotiations.

(*e*) A letter from the general manager of the Export Credits Guarantee Department to Bay Muammer Eriş acknowledging the receipt of (*b*), (*c*), (*d*) and (*e*).

3. The "Armaments Credit Agreement," *i.e.*, an agreement between the Government of the United Kingdom and the Government of the Turkish Republic relating to an armaments credit for Turkey, signed subject to ratification; and the following notes:—

Exchange of notes between the Turkish Ambassador and the Secretary of State for Foreign Affairs relating to the security for any credits granted under the Armaments Credit Agreement. A programme of exports forms an enclosure to the note from the Turkish Ambassador.

Addendum.

Exchanges of notes of the 10th and 13th June, 1938, between the Turkish Ambassador and the Secretary of State for Foreign Affairs bringing into force the Turkish texts of—

(i) The Supplementary Agreement,
(ii) The Armaments Credit Agreement, and
(iii) The notes and letters relating to these two agreements,(1)

signed by the Turkish Ambassador or Bay Muammer Eriş.

(N.B.—It was agreed that none of the exchanges of notes and letters relating to the three agreements should be published, but that the information contained in them might be utilised by either Government for its own purposes.)

(1) The Turkish Embassy have asked that no one concerned in obtaining Turkish texts for the English texts of the letters sent by Bay Muammer Eriş to the general manager of the Export Credits Guarantee Department. The Guarantee Agreement itself was signed in English and Turkish, of course.

(1)

Agreement between His Majesty's Government in the United Kingdom and the Government of the Turkish Republic supplementary to the Agreement of September 2, 1936, regarding Trade and Clearing [with agreed Minute].—London, May 27, 1938.

(Presented by the Secretary of State for Foreign Affairs to Parliament as Cmd. 5756: "Treaty Series No. 36 (1938).")

WHEREAS the Agreement respecting Trade and Clearing signed on the second day of September, nineteen hundred and thirty-six,(1) between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Turkish Republic (hereinafter called the "Principal Agreement"), makes provision to facilitate commercial relations between the United Kingdom and Turkey;

And whereas the Contracting Governments desire to supplement the provisions of the Principal Agreement in order to facilitate payments between the United Kingdom and Turkey;

Now, therefore, the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Turkish Republic have agreed as follows:—

ARTICLE 1.

United Kingdom goods to be paid for by deposit in the Special Account and by transfer through Sub-Account A of the Clearing Account in accordance with Articles 7 and 9 (1) (iv) of the Principal Agreement (as amended by Article 5 of this Supplementary Agreement) will be permitted to be imported into Turkey in each period of three months from the first day of July, nineteen hundred and thirty-eight, onwards, for different classes of goods, up to, but not exceeding, the c.i.f. values specified in the Schedule to this Agreement for each class of goods: provided that, if in any such period beginning the first day of July, the first day of October or the first day of January the value of the goods of any class imported into Turkey is less than that specified in the Schedule for goods of that class, the value of the goods of that class which shall be permitted to be imported in the next period of three months shall be increased above the Schedule figure by the amount of this deficiency. In estimating the deficiencies for any period beginning the first day of October or the first day of January, the increases in the values for that period due to a deficiency in the preceding period shall be taken into account

ARTICLE 2

(1) Any contracts for the export to Turkey of United Kingdom goods, in respect of which a guarantee shall hereafter be given by the Board of Trade

acting through the Export Credits Guarantee Department in the United Kingdom (hereinafter called the "Department") in accordance with the provisions of the Agreement signed on the twenty-seventh day of May, nineteen hundred and thirty-eight,(*) between the said Department and the Government of the Turkish Republic (hereinafter called the "Guarantee Agreement"), shall contain a condition (the performance of which the Central Bank and the Clearing Office will facilitate) that, unless the arrangements set out in this paragraph for the purchase of Turkish currency are suspended as provided in paragraph (2) of this article, all Turkish currency required to be purchased in connexion with such contracts by the persons in the United Kingdom, parties thereto, shall be obtained by the payment to the Clearing Office of the sterling equivalent of the amount of Turkish currency required, at the rate communicated, in accordance with the provisions of Article 8 (2) of the Principal Agreement, by the Central Bank to the Clearing Office and published in the United Kingdom on the day on which payment is made. The Clearing Office will immediately notify the Central Bank of such payments and allocate them to Sub-Account A of the Clearing Account referred to in Article 9 (1) (ii) of the Principal Agreement (as amended by Article 5 of this Supplementary Agreement). On receipt of notification of such payments the Central Bank will pay to the representatives in Turkey of the contractor in the United Kingdom the amount in Turkish currency

(2) If at any time it is agreed between the two Contracting Governments that there is no abnormal delay in effecting transfer to persons in the United Kingdom of amounts deposited in the Special Account referred to in Article 7 of the Principal Agreement, the arrangements set out in paragraph (1) for the purchase of Turkish currency shall be suspended until either Contracting Government requests that they should be resumed on the ground of the recurrence of abnormal delay.

ARTICLE 3.

In the Fourth Schedule to the Principal Agreement Item No. 9, "Fresh fruits and vegetables," and part of Item No. 13, "Canned fruits and vegetables," shall be deleted, and in Item No. 30 the words "other than wheat" shall be added after the word "Grains."

ARTICLE 4

(1) The whole of Article 4 of the Protocol to the Principal Agreement and Article 5 of that Protocol, except the words "This Protocol forms an integral part of the Agreement of this day's date," are deleted.

(2)—(i) Articles 6 and 7 and Articles 9 to 14 of the Principal Agreement (as amended by Articles 5 to 7 of this Supplementary Agreement) shall not apply to debt due in respect of the price of United Kingdom goods exported to Turkey, nor to any negotiable instruments given in respect thereof, in fulfilment of—

(*a*) the contract signed on the first day of December, nineteen hundred and thirty-six, between Messrs. H. A. Brassert and Company Limited and the Sümer Bank for the erection of an Iron and Steel Plant in Turkey; or

(*b*) any contracts in respect of which a guarantee shall hereafter be given by the Department in accordance with the provisions of the Guarantee Agreement; or

(*c*) any of the contracts referred to in Article 1 of the Agreement signed on the twenty-seventh day of May, nineteen hundred and thirty-eight,(*) between the Government of the United Kingdom and the Government of the Turkish Republic to facilitate the purchase in the United Kingdom of material necessary for the defence of Turkey (hereinafter called the "Armaments Credit Agreement"), if that Agreement is ratified.

(ii) When Turkish goods of the following classes, namely, metals, mineral ores and concentrates, coal, wheat, timber, fresh fruit and vegetables (other than nuts used as fruit) and canned foods, and of such other classes as may be added subsequently by agreement between the two Contracting Governments in accordance with Article 1 of Part II of the Guarantee Agreement, being classes

(*) Cmd. 5751: No. (2) below

of goods which have not hitherto been imported from Turkey, are imported into the United Kingdom, Article 6 and Articles 8 to 14 of the Principal Agreement (as amended by Articles 5 to 7 of this Supplementary Agreement) shall not apply to debts due in respect of such goods. The proceeds of their sale shall be paid to the company incorporated in the United Kingdom under the title "Anglo-Turkish Comptoir Limited," so long as it is carrying on business, and thereafter to the company which is to be incorporated in the United Kingdom under the title "Anglo-Turkish Commodities Limited" to act as the successor to the Anglo-Turkish Comptoir Limited. The provisions of this sub-paragraph also apply to raw cotton when consigned direct to the Anglo-Turkish Comptoir Limited or to Anglo-Turkish Commodities Limited, as the case may be.

(iii) There shall also be transferred by the Clearing Office to the Anglo-Turkish Comptoir Limited, so long as it is carrying on business, and thereafter to Anglo Turkish Commodities Limited the amounts credited to the Clearing Account in respect of Turkish figs and raisins, in excess of £322,000 in any year ending on the thirty-first day of December after nineteen hundred and thirty-eight

(iv) Subject to the provisions of sub-paragraph (v) below, the receipts of the Anglo-Turkish Comptoir Limited and of Anglo-Turkish Commodities Limited under sub-paragraphs (ii) and (iii) above and any other receipts of these companies under the Guarantee Agreement or any Agreement amending or substituted for the Guarantee Agreement shall be employed exclusively for the following purposes:—

(A) For the expenses of the Anglo-Turkish Comptoir Limited, in so far as these have not been defrayed at the date when its assets are transferred to Anglo-Turkish Commodities Limited, and the expenses of the latter company.

(B) For the amounts due in respect of bills issued to Messrs. H. A. Brassert and Company Limited in pursuance of the contract signed between them and the Sümer Bank on the first day of December, nineteen hundred and thirty-six.

(C) For the amounts due in respect of the bills referred to in Part III of the Guarantee Agreement which are endorsed by the Department as therein provided.

(D) For the annuities provided for in the Agreement of the first day of May, nineteen hundred and thirty-five, between the Government of the Turkish Republic and the Aidin Railway Company Limited and those provided for in the Agreement of the ninth day of April, nineteen hundred and thirty-six, between the Government of the Turkish Republic and the Istanbul Telephone Company.

(E) For payments due under the Armaments Credit Agreement, if that Agreement is ratified.

(F) The balance remaining at the end of each period of twelve months (starting with the twelve months beginning on the first day of July, nineteen hundred and thirty-eight), after deduction has been made of the amounts required for the purposes referred to in the preceding sub-paragraphs (A), (B), (C), (D) and (E), as certified by the auditors of the Anglo-Turkish Comptoir Limited or of Anglo-Turkish Commodities Limited, as the case may be, shall within one month after the end of such period be paid to the Clearing Account and shall be allocated as follows:—

(*a*) 60 per cent. shall be paid to Sub-Account A.

(*b*) 30 per cent. shall be paid to Sub-Account B.

(*c*) 10 per cent. will be at the free disposal of the Central Bank, it being understood that it will be used, so far as required, for the purchase of United Kingdom newspapers, periodicals and books, which are not suitable for purchase through the Clearing or by private compensation

(v) The proceeds of the sale in the United Kingdom of Turkish wheat, imported into the United Kingdom before the first day of January, nineteen hundred and thirty-nine, up to a maximum of £250,000 may be devoted by the Anglo-Turkish Comptoir Limited or Anglo-Turkish Commodities Limited, as the case may be, to financing the purchase of ships in the United Kingdom by Turkish buyers.

(vi) The Government of the Turkish Republic undertake to ensure that the receipts of the Anglo-Turkish Comptoir Limited or Anglo-Turkish Commodities Limited, as the case may be, shall be at all times sufficient to meet the payments referred to in (A), (B), (C), (D) and (E) of sub-paragraph (iv) above, and that Anglo-Turkish Commodities Limited shall not be dissolved, or its statutes altered, save with the consent of the Government of the United Kingdom, until all these payments have been discharged.

ARTICLE 5.

As from the first day of October, nineteen hundred and thirty-eight, the following shall be substituted for Article 9 (1) of the Principal Agreement :—

"All sums credited to the Clearing Account (other than (*a*) the sums paid by the Anglo-Turkish Comptoir Limited or Anglo-Turkish Commodities Limited, as the case may be, under Article 4 (2) (iv) (F) of this Supplementary Agreement, (*b*) after the first day of January, nineteen hundred and thirty-nine, the sums which are to be transferred to the Anglo-Turkish Comptoir Limited or Anglo-Turkish Commodities Limited, as the case may be, under Article 4 (2) (iii) of the Supplementary Agreement, and (*c*) the payments to be allocated to Sub-Account A under Article 2 (i) of the Supplementary Agreement) shall be allocated as follows :—

(i) 30 per cent. of all sums shall be allocated to a non-interest-bearing Sub-Account B. Amounts standing to the credit of Sub-Account B shall be at the free disposal of the Central Bank.

(ii) 70 per cent. of all sums other than those referred to in sub-paragraphs (iii), (v), (vi) and (vii) below shall be allocated to a non-interest-bearing Sub-Account A.

(iii) Of the sums credited in respect of Turkish goods exported to the United Kingdom in accordance with the provisions of Article 12, Article 13 or Article 14 of the Principal Agreement, as amended by the Supplementary Agreement, 10 per cent. shall be allocated to the said Sub-Account A.

(iv) Amounts standing to the credit of Sub-Account A shall be utilised for the payment of debts in respect of which deposits have been made in the Special Account. Such payments shall be made in chronological order of deposit.

(v) 60 per cent. of all sums credited in respect of Turkish goods exported to the United Kingdom in accordance with the provisions of Article 12 or Article 13 shall be allocated to a non-interest-bearing Sub-Account C. Amounts standing to the credit of Sub-Account C shall be utilised as follows :—

(*a*) 60 per cent. of the f.o.b. value as shown on the certificate of origin of the Turkish goods exported shall be utilised for payment in respect of goods imported into Turkey from the United Kingdom in execution of the same compensation transaction.

(*b*) So much of the balance as represents the difference between the c.i.f. and f.o.b. values shall be transferred to Sub-Account B and any unutilised balance shall be transferred to Sub-Account A.

(vi) 60 per cent. of all sums credited in respect of Turkish goods exported to the United Kingdom in accordance with the provisions of Article 14 of the Principal Agreement, as amended by Article 7 of the Supplementary Agreement, shall be allocated to a non-interest-bearing Sub-Account D. Amounts standing to the credit of Sub-Account D shall be utilised for making payments to the creditor or creditors in the United Kingdom in respect of deposits and sums eligible for transfer under the said Article 14 as amended. Any balances not required for that purpose shall be transferred to Sub-Account A.

(vii) 70 per cent. of sums credited in respect of Turkish figs and raisins shall be allocated to a non-interest-bearing Sub-Account E and shall be transferred from day to day to Sub-Account A."

ARTICLE 6.

As from the first day of October, nineteen hundred and thirty-eight, the following shall be substituted for Article 12 (2) of the Principal Agreement :—

"In respect of each transaction under paragraph (1) of this Article, the f.o.b. value of the United Kingdom goods imported into Turkey shall not exceed 60 per cent. of the f.o.b. value, as shown on the certificate of origin, of the Turkish goods imported into the United Kingdom, the balance being transferable, as to 30 per cent. of that value to the Sub-Account B referred to in Article 9 (1) (i) of this Agreement (as amended by Article 5 of the Supplementary Agreement), and as to 10 per cent. of that value to Sub-Account A."

ARTICLE 7.

As from the first day of October, nineteen hundred and thirty-eight, the following shall be substituted for Article 14 of the Principal Agreement :—

"(1) Any person in the United Kingdom in whose favour a deposit in Turkish pounds has been or may hereafter be deposited in the Special Account referred to in Article 7 (1) of this Agreement or (with the approval of the Contracting Governments in each case) any other person in the United Kingdom who is unable to obtain transfer into sterling of sums standing to his credit in Turkey or owed to him by persons in Turkey shall be permitted to utilise the whole or part of such deposit or sums for the purchase of the Turkish goods included in the Fourth Schedule to this Agreement, as amended by Article 3 of the Supplementary Agreement, and to export such goods to the United Kingdom.

"(2) The sterling proceeds of such goods shall be allocated as follows :—

(i) 60 per cent. shall be dealt with in accordance with the provisions of Article 9 (1) (vi) of this Agreement, as amended by the Supplementary Agreement;

(ii) 30 per cent. shall be transferred to Sub-Account B; and

(iii) the balance of 10 per cent. shall be transferred to Sub-Account A."

ARTICLE 8.

(1) The Government of the United Kingdom shall continue to permit the free transfer of sterling into any other currency for the settlement outside the clearing of debts due from persons in the United Kingdom to persons in Turkey in respect of freight and insurance charges arising from the sale of f.o.b. terms of Turkish goods to the United Kingdom.

(2) The Government of the Turkish Republic shall continue to provide sterling for the settlement outside the clearing of debts due from persons in Turkey to persons in the United Kingdom in respect of freight and insurance charges arising from the sale on f.o.b. terms of United Kingdom goods to Turkey.

ARTICLE 9.

(1) The present Agreement shall come into force on the first day of July, nineteen hundred and thirty-eight, and except where otherwise specified all its provisions come into operation on that date.

(2) After the first day of July, nineteen hundred and thirty-eight, the Principal Agreement shall operate in accordance with its own provisions, subject to the additions and modifications made by this Supplementary Agreement.

(3) If the Principal Agreement (with the additions and modifications made by this Supplementary Agreement) is terminated under Article 18 (2) thereof, this termination shall not affect the provisions of sub-paragraphs (ii) or (vi) of Article 4 (2) of this Supplementary Agreement or of sub-paragraph (iii) thereof, except that the Central Bank shall be substituted for the Clearing Office, or any of the provisions, except (F), of sub-paragraph (iv) of the said Article 4 (2). These provisions shall remain in force until all the payments due under the Agreements referred to in (C) and (E) of the said sub-paragraph (iv) have been discharged and the two Contracting Governments will decide by common agreement in what manner the balance referred to in (F) of the said sub-paragraph (iv) shall be allocated.

[19819]

In witness whereof the undersigned, duly authorised to that effect, have signed the present Agreement and have affixed thereto their seals.

Done in duplicate in London, in the English language, this twenty-seventh day of May, nineteen hundred and thirty-eight.

A translation shall be made into the Turkish language as soon as possible and agreed upon between the Contracting Governments.
Both texts shall then be considered equally authentic for all purposes.

(L.S.) HALIFAX.
(L.S.) FETHI OKYAR.
(L.S.) M. ERIS.

SCHEDULE

(See Article 1.)

Number in Turkish Tariff	*Classification in Turkish Tariff.*	*Turkish Pounds.*
101	Merinos, mohair, wools of alpaca, Lama, vicuna, cashmere, camel or cheviot	19,600
102	Yarn of wool and hair of all kinds (including knitting or weaving yarn on reels)	98,880
106	Tissues of pure wool, not elsewhere specified in the tariff, combined or not with other materials	25,080
368	Cotton yarns, unbleached, simple	31,100
370	Cotton yarns, glazed or mercerised, twisted two or more strands, unbleached, bleached or dyed	34,500
371	Cotton yarns made up for retail sale on cards, reels, in small skeins, on tubes, in balls and other forms (bleached or not, dyed or twisted or not)	5,700
372	Cotton yarn for nets, string	4,400
377	Cotton tissues, unbleached	8,580
378	Cotton tissues, bleached	64,500
379	Cotton tissues, piece-dyed, colour woven or printed	126,500
417	Tissues, lentap, sacks and manufactures of jute, sunn or other vegetable materials not mentioned in the tariff (natural colour or dyed)	15,100
446	Outer covers, inner tubes and tyres of rubber for bicycles, automobiles, carriages and other conveyances (combined or not with other materials)	7,100
452	Linoleum and carpenbeim for covering floors (in pieces or in the piece) ...	4,700
523	Plates of sheet iron or steel (plain or corrugated) and bands for making hoops or strips	39,200
555	Copper bearers, blades, rods (all sections), plates and sheets	6,980
577	Tin and tin alloys	43,500
618	Wire telegraph and telephone apparatus and parts, excepting wire, batteries and automatic telephone switchboard frames	4,980
651	Motors driven by petroleum, benzine, petroleum derivatives, or by other fuel (except electric motors), portable engines (mounted or not) ...	5,100
668	Machines for millers, kneading machines, machines for making and preparing pastes, confectionery, sausages and other comestibles, ice-making machines, steriliers, pasteurisers, refrigerators, machines for washing and filling bottles, crucers, machines for roasting and milling, clothes washing and ironing machines, and other machines not elsewhere mentioned in the tariff (mounted or not)	7,030
690/2	Mechanical parts for machines and apparatus, of iron, steel and other base metals (combined or not with other materials) not elsewhere mentioned in the tariff	9,400
692	Steam vessels	18,700
694	Mineral fuel	6,800
695	Liquid mineral fuel and mineral oils (petroleum, schist oil, lignite oil and other mineral oils)	4,400
706 and 711	Artificial organic colors (obtained with coal tar oil), sulphites, alizarines, artificial indigoes and natural indigoes refined (in any form), and others not specially mentioned in the tariff, and sodium and its salts ...	32,800
725	Copper salts	5,400
749	Creosote and its salts	29,100
753	Serums, vaccines, chemical and medicinal products, chemico-industrial products and specialities not mentioned in the tariff	8,980
	All other tariff items	114,900
	Total	770,000

AGREED MINUTE.

AT the time of signing the Agreement of this day's date, supplementary to the Agreement respecting Trade and Clearing signed on the second day of September, nineteen hundred and thirty-six, the United Kingdom and Turkish Delegations desire to place on record the following :—

(1) With reference to Article 1 of the Supplementary Agreement, it is understood that the provisions of Articles 1 and 4 and of the First and Second Schedules of the Principal Agreement continue to apply as regards the total quantity of the different classes of United Kingdom goods permitted to be imported into Turkey, including (i) those for which payment is to be made by deposit in the Special Account and transfer through Sub-Account A, and (ii) those in respect of which payment is made by means of private compensation transactions under the provisions of Article 12 of the Principal Agreement, as amended by the Supplementary Agreement. Goods imported into Turkey under the contracts referred to in Article 4 (2) (i) of the Supplementary Agreement shall not be counted for the purposes of ascertaining this total quantity.

(2) With reference to Article 4 (2) (iii) and Article 5 (vii) of the Supplementary Agreement, the amount of £225,000 (viz., 70 per cent. of £322,000), which is the maximum to be transferred to Sub-Account A in respect of imports into the United Kingdom of Turkish raisins and figs, represents the amount which would have been payable to that Sub-Account on the basis of the average total imports into the United Kingdom of these Turkish products during the three years nineteen hundred and thirty-five, nineteen hundred and thirty-six, and nineteen hundred and thirty-seven.

HALIFAX.
FETHI OKYAR
M. ERIS

(1) (*a*).

(See Article 4 (2) (iv) (1)) of the Supplementary Agreement.)

From the Turkish Ambassador to the Secretary of State.(1)

Your Excellency, *Turkish Embassy, London, May 27*, 1938.

I HAVE the honour to inform your Excellency that as from the 1st June, 1938, the annuity of £146,000 sterling a year payable to the Ottoman Bank for the service of the £1,825,840 7½ per cent. Turkish Debt 1935 Bonds, which formed the consideration for the sale of the Ottoman Railway to the Turkish Government in accordance with the agreement dated the 1st May, 1935, and also the annuity of £40,000 sterling a year payable as from 1940 in respect of the purchase of the Istanbul Telephone Company, will be paid regularly in sterling, with a charge on the monies available from the receipts of the Anglo-Turkish Comptoir (Limited), so long as it is carrying on business, and thereafter from the receipts of Anglo-Turkish Commodities (Limited), it being understood that if for any reason the money is not available from those receipts it will be paid in sterling from other sources.

2. In due course the necessary letter will be written by his Excellency the Turkish Minister of Finance to the Ottoman Bank, London, as the representative of the holders of the Turkish 7½ per cent. Bonds 1935.

3. I also have the honour to inform your Excellency that an arrangement will be made with the liquidators of the Quais d'Istanbul providing that in so far as concerns Bonds at present owned by persons in the United Kingdom the repurchase annuity of 2,500,000 French francs referred to in the convention of the 18th December, 1934, including the instalment due on the 1st May, 1938, will be paid regularly in French francs.

I have, &c.
FETHI OKYAR.

(1) Not published

From the Secretary of State to the Turkish Ambassador.(1)

Your Excellency, *Foreign Office, May 27, 1938.*

I HAVE the honour to acknowledge the receipt of your Excellency's note of this day's date, in the following terms:—

[Here follows text of letter from the Turkish Embassy of May 27, No. (1) (*a*).]

2. I have the honour to inform your Excellency that I have taken note of this communication on behalf of His Majesty's Government in the United Kingdom.

I have, &c.
HALIFAX.

(1) Not published.

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(1) (*b*).

(See Article 4 (2) (iv) (F) (*a*) of the Supplementary Agreement.)

From the Turkish Ambassador to the Secretary of State.(1)

Your Excellency, *Turkish Embassy, London, May 27, 1938.*

I HAVE the honour to invite your Excellency's attention to the provisions of article 4 (2) (iv) (F) (*a*) of the agreement signed this day supplementary to the Anglo-Turkish Trade and Clearing Agreement of the 2nd September, 1936, whereby 60 per cent. of the balance of the sums realised by the Anglo-Turkish Comptoir (Limited) or by Anglo-Turkish Commodities (Limited), as the case may be, after meeting the payments referred to in that article, shall be paid to Sub-Account A of the Clearing Account.

2. On the instructions of the Government of the Turkish Republic I have the honour to inform your Excellency that if the amount so paid to Sub-Account A in any one year beginning on the 1st July is less than £100,000 sterling, the Government of the Turkish Republic will give instructions for the transfer to Sub-Account A from Sub-Account B, as a first charge on the latter sub-account, of a sum equivalent to the difference between £100,000 and the amount paid to Sub-Account A within the period in question under the provisions referred to.

I have, &c.
FETHI OKYAR.

(1) Not published.

From the Secretary of State to the Turkish Ambassador.(1)

Your Excellency, *Foreign Office, May 27, 1938.*

I HAVE the honour to acknowledge the receipt of your Excellency's note of this day's date, in the following terms:—

[Here follows text of letter from the Turkish Embassy of May 27, No. (1) (*b*).]

2. I have the honour to inform your Excellency that I have taken note of this communication on behalf of His Majesty's Government in the United Kingdom.

I have, &c.
HALIFAX.

(1) Not published.

(1) (*c*).

(See Article 4 (2) (iv) (F) (*c*) of the Supplementary Agreement.)

From Bay Muammer Eriş to Mr. H. S. Gregory.(1)

Dear Mr. Gregory, *Turkish Embassy, London, May 27, 1938.*

WITH reference to the provisions of article 4 (2) (iv) (F) (*c*) of the agreement signed this day supplementary to the Anglo-Turkish Trade and Clearing Agreement of the 2nd September, 1936, I have pleasure in informing you that as from the 1st January, 1940, no further deposits in respect of debts due for United Kingdom newspapers, periodicals and books imported into Turkey will be credited to the Special Account and that payment for such goods will be made in free sterling.

Yours sincerely,
M. ERIS.

(1) Not published.

From Mr. H. S. Gregory to Bay Muammer Eriş.(1)

The Anglo-Turkish Clearing Office, London, May 27, 1938.

Dear Bay Eriş,

I HAVE to acknowledge the receipt of your note of this day's date, in the following terms:—

[Here follows text of letter from the Turkish Embassy of May 27, No. (1) (*c*).]

2. I have to inform you that I have taken note of this communication.

Yours sincerely,
H. S. GREGORY.

(1) Not published.

(1) (*d*).

(See Article 7 of the Supplementary Agreement.)

From the Secretary of State to the Turkish Ambassador.(1)

Your Excellency, *Foreign Office, May 27, 1938.*

I HAVE the honour to invite the attention of your Excellency to the provisions of article 7 of the agreement signed this day supplementary to the Anglo-Turkish Trade and Clearing Agreement of the 2nd September, 1936, whereby any person in the United Kingdom in whose favour a deposit in Turkish pounds is, or may hereafter be, deposited in the Special Account referred to in article 7 (i) of the above-mentioned Trade and Clearing Agreement of the 2nd September, 1936, or (with the approval of the contracting Governments in each case) any other person in the United Kingdom who is unable to obtain transfer into sterling of sums standing to his credit in Turkey or owed to him by persons in Turkey, shall be permitted to utilise the whole or part of such deposit or such sums up to the equivalent amount in Turkish pounds for the purchase of the Turkish goods included in the fourth schedule to the Trade and Clearing Agreement, and to export such goods to the United Kingdom.

2. In this connexion I desire to place on record the understanding that the contracting Governments will give their approval as required by the provisions of this article, and that the Government of the Turkish Republic will grant the authorisations required on their part, in the following cases:—

(1) A loan made by Lloyds Bank (Limited) to a mill for crushing cotton and other seeds at Aduna operated by Mr. Gilodo. The debt outstanding consists of £14,569 4*s.* 10*d.* on account of capital and £15,308 4*s.* 2*d.* on account of interest.

(1) Not published.

(2) The balance of the earnings of the Smyrna–Aidin Railway prior to its purchase by the Turkish Government in 1935, equivalent to approximately £80,000.

(3) A balance of about £T. 200,000 belonging to the liquidators of the Istanbul Telephone Company which represents cash in hand at the time of the purchase of the company by the Government of the Turkish Republic.

(4) A balance of about £17,000 held by J. and J. Colman (Limited), representing profits made over a period of years by their factory in Istanbul.

3. In addition, the contracting Governments agree to consider sympathetically any such further cases falling within the scope of this article as may be brought to their notice.

4. I take this opportunity of asking your Excellency to confirm the further understanding that other remittances will in cases of hardship be permitted to be effected in free sterling outside the clearing up to the total of £2,000 in any one month.

I have, &c.
HALIFAX.

From the Turkish Ambassador to the Secretary of State.(1)

Your Excellency, *Turkish Embassy, London, May 27, 1938.*

I HAVE the honour to acknowledge the receipt of your Excellency's note of this day's date, in the following terms:—

[Here follows text of letter from the Secretary of State of May 27, No. (1) (*d*).]

2. I hereby confirm that your Excellency's note correctly sets forth the understanding of the Government of the Turkish Republic of the matters dealt with therein.

I have, &c.
FETHI OKYAR

(1) Not published.

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(2)

Agreement with the Government of the Turkish Republic relating to Guarantees in connection with the Export to Turkey of Goods Manufactured in the United Kingdom.

(Presented by the President of the Board of Trade to Parliament as Cmd. 5754 – " Export Credits Guarantee Department.")

AN Agreement made between F. H. Nixon, Esq., C.B., General Manager of the Export Credits Guarantee Department (hereinafter called " the Department ") duly authorised in that behalf by the President of the Board of Trade and His Excellency Bay Fethi Okyar, Ambassador Extraordinary and Plenipotentiary of the Turkish Republic in London, and Bay Muammer Eriş, Director General of the Iş Bankasi duly authorised in that behalf by the Government of the Turkish Republic (hereinafter called " the Turkish Government ") with regard to the giving of guarantees by the Department up to a total of £10,000,000 in connection with the export to Turkey of goods manufactured in the United Kingdom, whereby it is agreed as follows:—

PART I.—TECHNICAL.

ARTICLE 1.

This Agreement shall only apply to contracts made not later than the 31st December, 1940 (or to contracts the aggregate value of which shall not exceed £1½ millions made not later than the 31st December, 1941, if brief particulars of such intended contracts shall have been furnished to the Department by the

Turkish Government before the 31st December, 1940), between a purchaser in Turkey (hereinafter called " the Purchaser ") and a person, firm or company carrying on business in the United Kingdom (hereinafter called " the Contractor ") for the sale by the Contractor to the Purchaser of goods which comply with the provisions of this Part of this Agreement.

ARTICLE 2.

The Turkish Ministry of National Economy or such other body as the Turkish Government may appoint to co-ordinate the placing of orders shall at an early date transmit to the Department a copy of the programme of orders, and shall notify the Department of any proposed modification of this programme at the earliest opportunity. This Agreement shall not apply to any contract which has not received the specific approval of the Ministry prior to the making thereof.

ARTICLE 3.

The goods shall not be munitions of war and they shall be wholly or mainly manufactured in the United Kingdom, that is to say at least 50 per cent. of the sale price of the goods shall be derived from expenditure in respect of materials grown or produced or work done in the United Kingdom. As soon as any contract is entered into a copy of it shall be sent by the Turkish Ministry of National Economy or such other authority as the Turkish Government may appoint under Article 2 of this Part of this Agreement to the Department together with a certificate in the form attached " A " signed by the Contractor or by a person duly authorised by him. The contract shall require the Contractor to furnish to the Department from time to time as the Department shall direct a certificate in the form attached " B " and if the Department so desire corroborative evidence.

ARTICLE 4.

The cost of any work or services outside the United Kingdom which is provided for in any contract shall not when added to the cost of such work and services provided for in all other contemplated contracts exceed a moderate proportion of the total value of all the contracts as agreed with the Department from time to time, and if the Department be required to give guarantees in connection with the cost of any work or services outside the United Kingdom the contract or contracts concerned shall be subject to approval by the Department.

ARTICLE 5.

The Turkish Government being desirous of utilising the facilities provided under this Agreement to the best possible advantage and of obtaining the most favourable conditions as to price, delivery and technical requirements by adapting their contracts to British engineering methods and practice, intend wherever possible to employ in a consultative capacity engineers of standing and repute in the United Kingdom. If in any particular case the said Government shall not desire to employ any such engineers, it will consult with the Department. It is nevertheless understood that in every case the final decision shall rest with the Turkish Government.

ARTICLE 6.

In order to facilitate the work of the purchasers in Turkey in their dealings with manufacturers or contractors in the United Kingdom the company which is to be constituted in accordance with Article 1 of Part II of this Agreement shall be kept generally informed by the Turkish Ministry of National Economy or such other body as the Turkish Government may appoint under Article 2 of this Part of this Agreement of the programme of the purchases and provided with such other information as will enable it to act as an efficient liaison between the proposed purchasers in Turkey and the suppliers in the United Kingdom.

ARTICLE 7

Every contract shall provide for inspection (and where practicable acceptance) in the United Kingdom by the Purchaser or a person duly authorised on his behalf of all goods before shipment.

ARTICLE 8.

Every contract shall provide for terms of payment and other general conditions being, so far as possible, those normal for the trade or industry concerned.

ARTICLE 9.

Every contract shall provide that if any dispute or difference of opinion shall arise between the Purchaser and the Contractor as to the construction and interpretation of the contract or as to the fulfilment or non-fulfilment of any obligation of the Purchaser or the Contractor thereunder or as to any other matter whatever arising out of or in consequence of the contract, then the Purchaser and the Contractor shall endeavour to settle such difference of opinion or dispute by friendly co-operation. If however such endeavour shall be made and should prove ineffective either party may by notice in writing to the other require that the dispute or difference of opinion or the matter concerned shall be referred to arbitration. The procedure shall be as follows: Each side shall appoint one arbitrator and in the event of such arbitrators being unable to reach agreement an Umpire shall be appointed by common accord or failing such accord the President of the Federal Court of the Swiss Republic shall forthwith be invited to appoint an Umpire and should he decline the Turkish Government and the Department shall agree by whom the Umpire shall be appointed. The decision of two out of the three members of the arbitration tribunal shall be conclusive and binding on both parties to the contract who shall undertake to give immediate effect thereto.

ARTICLE 10.

Every contract shall provide that whether freight is to be paid by the purchaser or by the Contractor shipments shall (except in cases where a Turkish ship would be sailing from a port in the United Kingdom in ballast) be made in British bottoms whenever available at prevailing market rates and that in all cases insurance shall be placed with persons, firms or companies carrying on the business of insurance in the United Kingdom.

ARTICLE 11.

Every contract shall provide for all purchases of Turkish currency by the Contractor in connection therewith to be made as required by the provisions of Article 2 of the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Turkish Government signed in London on the 27th May, 1938 (hereinafter called "the Supplementary Agreement"),(1) being an Agreement supplementary to an Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Turkish Government respecting Trade and Clearing signed in London on the 2nd September, 1936 (hereinafter called "the Clearing Agreement").(2)

PART II.—THE SALE OF TURKISH COMMODITIES

ARTICLE 1.

There shall be a company incorporated in England under the Companies Act, 1929, with its principal place of business in London for the sale in the British Empire and in all foreign countries of the following commodities which are the produce of Turkey and for the disposal of the proceeds of the sale thereof in accordance with the provisions of this Part of this Agreement. The said commodities are metals, mineral ores and concentrates and coal (which are hereinafter collectively referred to as "the principal commodities"), and wheat, timber, raw cotton, fresh fruit and vegetables (other than nuts used as fruit), canned foods and such other products as may hereafter be agreed between the Department and the Turkish Government for the purpose (which are hereinafter collectively referred to as "the secondary commodities").

(1) "Treaty Series No. 29 (1938)", Cmd. 5809.
(2) "Treaty Series No. 3 (1937)", Cmd. 5360.

The Turkish Government shall forthwith take all necessary steps to procure the formation and incorporation of the said company as aforesaid under the name "Anglo-Turkish Commodities Ltd." (which said company is hereinafter referred to as "the Company"). The Memorandum and Articles of Association of the Company shall be subject to the approval of the Turkish Government and the Department and shall not be altered or added to without the like approval.

In this Agreement the expression "British Empire" includes any territory under the sovereignty, suzerainty, protection or mandate of His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India.

ARTICLE 2.

The Board of Directors of the Company shall consist of—

One director appointed by the Eti Bank, who shall be Chairman.

One director appointed by the Department.

One director (or such greater number of directors as may be agreed between the Eti Bank and the Department) appointed by the Eti Bank and the Department jointly.

The remuneration of the directors shall be subject to the approval of the Eti Bank and the Department.

ARTICLE 3

The Accounts of the Company shall be audited by auditors approved by the Eti Bank and the Department, and the Eti Bank and the Department shall each be entitled to examine all the documents and books of account of the Company at any time.

ARTICLE 4.

The Turkish Government has supplied to the Department a programme of exports of metals, mineral ores and certain other products which it intends to export from 1940 onwards to the British Empire and against foreign exchange freely convertible into sterling to foreign countries for the purpose of meeting its obligations under this Agreement. The Turkish Government shall carry out this programme and export during 1938 and 1939, and from 1940 onwards sufficient quantities of the principal commodities to meet its said obligations in priority to all other demands for export. The Turkish Government shall forthwith designate the authority which will be responsible for the co-ordination of the activities of the exporting organisations in Turkey concerned in the execution of the said programme.

ARTICLE 5.

The Company shall be the sole agent of the Eti Bank for all sales in the British Empire.

ARTICLE 6.

The Turkish Government shall, if and in so far as the proceeds of sale of the principal commodities and the secondary commodities effected by or through the Company shall be insufficient for the purpose, remit or cause to be remitted to the Company the proceeds of—

(i) all sales of the principal commodities in the British Empire; and
(ii) all sales in the United Kingdom of the secondary commodities excepting raw cotton; and
(iii) all sales of the principal commodities effected by the Eti Bank and the Kömür Satiş Birligi in foreign countries against foreign exchange freely convertible into sterling;

for the purpose of defraying the following charges as they become due:

(A) The expenses of the Anglo-Turkish Comptoir Limited in so far as these have not been defrayed at the date when its assets are transferred to the Company and the expenses of the Company.
(B) Amounts due in respect of Bills issued to H. A. Brassert and Co. Ltd., in pursuance of their Contract with the Sumer Bank, Ankara, dated the 1st December, 1936.
(C) Amounts due in respect of the Bills referred to in Part III of this Agreement which are endorsed by the Department as therein provided

ARTICLE 7.

The Company shall open at the Ottoman Bank, London, E.C. 2, an account (hereinafter called "the Company's Account") into which shall be paid in sterling—

(*a*) the proceeds of all sales of the principal commodities and the secondary commodities made by or through the Company; and
(*b*) all monies remitted to the Company in accordance with Article 6 of this Part of this Agreement; and
(*c*) the proceeds of the sale of figs and raisins in the United Kingdom in accordance with Article 4 (2) (iii) of the Supplementary Agreement.

All monies paid into the Company's Account shall, subject to the provisions of Article 4 (2) (v) of the Supplementary Agreement, be used only for the purpose of defraying the charges mentioned in Article 6 of this Part of this Agreement or any of the other payments which by Article 4 (2) (iv) of the Supplementary Agreement the receipts of the Company are to be exclusively used to defray.

ARTICLE 8.

If at any time there shall be insufficient funds in the Company's Account to defray the charges referred to in Article 6 of this Part of this Agreement the Turkish Government shall forthwith make good the deficiency. The balance standing to the credit of the Company's Account at the end of each period of twelve months commencing with the period beginning on the 1st of July, 1938, shall, after allowing for any charges due, be dealt with in accordance with the provisions of the Supplementary Agreement.

ARTICLE 9.

The Eti Bank shall keep in close touch with the Company, and in order to facilitate its sales shall from time to time inform the Company of the quality and quantity of the principal commodities available for export, and shall use its best endeavours to co-ordinate the activities of the Company with those of its other agents.

ARTICLE 10.

There shall be constituted a Committee to consist of the following persons:—

A person designated by the Turkish Government in each case;
The Managing Director of the Eti Bank;
A person designated by the British Government in each case;
The General Manager of the Export Credits Guarantee Department;

to which shall be submitted—

(*a*) any difference between the Company and the Eti Bank or other Turkish administrative organisation concerned; and
(*b*) any matter arising in connection with the business of the Company which the Department or the Turkish Government consider ought to be submitted to the Committee.

Decisions of the Committee (which must be unanimous) on any difference or matter so submitted to it shall be final, and immediate steps shall be taken by the parties concerned to give effect thereto.

ARTICLE 11.

The Department shall not be required to endorse any of the Bills referred to in Part III of this Agreement until the Anglo-Turkish Comptoir Ltd. shall have been liquidated, its assets and liabilities transferred to the Company, and the Agreement between H. A. Brassert & Co. Ltd. and the Turkish Ministry of National Economy relating *inter alia* to the establishment of the Anglo-Turkish Comptoir Ltd. signed in London on the 29th September, 1936, terminated as from the date on which the Company shall be incorporated.

PART III.—GUARANTEES.

ARTICLE 1.

The Department will endorse and thereby guarantee Treasury Bills of the Turkish Government up to a total of £10 millions in respect of contracts to which this Agreement applies subject to the provisions of this Agreement.

ARTICLE 2.

The Bills shall be issued by the Turkish Treasury in accordance with the provisions of Turkish Law and made payable as to principal and interest to bearer at the Ottoman Bank, London, E.C. 2, or the London Branch of the Iş Bankasi. Before any contracts are entered into, the arrangements for the service of all these Bills shall be agreed with the Department.

ARTICLE 3.

The Bills shall be expressed in sterling in sums of £1,000 or multiples thereof, and shall be payable in accordance with a schedule which has been agreed between the Turkish Government and the Department. They are to carry interest at 5½ per cent. per annum payable half-yearly. They shall be stamped at the expense of the Turkish Government.

ARTICLE 4

The Turkish Ministry of Finance or such other body as the Turkish Government may appoint for the purpose will from time to time present to the Department for endorsement Bills to an amount approximately equal to the total of payments falling due in the near future as set out in a list to be supplied by the said Turkish Ministry or other body appointed as aforesaid to the Department based upon the contracts recognised by the Department as being contracts to which this Agreement applies. Subject to the provisions of this Part of this Agreement, the tenor of the bills to be presented for endorsement at any time shall, subject to the terms of the schedule mentioned in Article 3 of this Part of this Agreement, be decided by the Department.

ARTICLE 5.

Within two weeks of the presentation of the Bills to the Department for endorsement and subject to the provisions of this Agreement being complied with the Department will endorse the Bills both as to principal and interest and will arrange for their sale and out of the proceeds to pay into a Special Account opened in favour of the Turkish Ministry of Finance at the Ottoman Bank, London, E.C. 2, sums equal in the aggregate to the total face value of the Bills so endorsed (excluding interest). The money in this Special Account shall be subject to withdrawal only for payments included in schedules certified by the Turkish Ministry of Finance and countersigned by the Department, which said schedule when so certified and countersigned shall be forwarded to the said Bank by the Department. Any excess of the proceeds of sale of the Bills over their face value will be at the sole disposal of the Department, who will be responsible for any costs incurred in connection with the sale.

ARTICLE 6

If any balance shall be left in the said Special Account after all payments have been made in respect of contracts to which this Agreement applies entered into not later than the date by which contracts have in accordance with Article 1 of Part I of this Agreement to be made, the Turkish Ministry of National Economy shall within three months thereafter enter into further contracts sufficient to exhaust that balance, and this Agreement shall apply to such further contracts as it applies to the first-mentioned contracts.

ARTICLE 7

If in connection with any contract the Department shall be required to guarantee Bills for payments falling due in respect of work or services outside

the United Kingdom, such guarantee shall in no case exceed 33⅓ per cent. of the price of the goods in respect of which the guarantees are given included in the contract, and it shall be a condition precedent to the giving of such guarantee that all Turkish currency that the Contractor shall have purchased for the purposes of the contract shall have been purchased in the manner in which such purchases are required to be made by Article 2 of the Supplementary Agreement, and that the Contractor shall have undertaken to make all further purchases of such currency for those purposes in that manner.

Signed in duplicate in London this twenty-seventh day of May, nineteen hundred and thirty-eight, in English and Turkish, both texts being equally authentic.

F. H. NIXON.
FETHI OKYAR.
M. ERIS.

APPENDIX A

Contractor's Certificate.

Contract No..... Dated..... Amount.....
between ..... and .....
I/We .....
of .....
hereby certify that goods to the value of £.....
are to be supplied by me/us under the above-mentioned contract entered into by me/us on.....and that such goods are not munitions of war; and I/we undertake to make arrangements which will ensure that at least 50 per cent. of the sale price of these goods will be derived from expenditure in respect of materials grown or produced or work done in the United Kingdom.

Signed on behalf of .....
Signature .....
Qualifications of Signatory.....

Export Credits Guarantee Department.

APPENDIX B.

Contractor's Certificate.

Contract No..... Dated..... Amount.....
I/We .....
of .....
hereby certify that the goods to the value of £.....
are ready to be supplied by me/us under the above-mentioned contract entered into by me/us on.....are not munitions of war, and that at least 50 per cent. of the sale price of these goods is derived from expenditure in respect of materials grown or produced or work done in the United Kingdom.

If required, I/we undertake to corroborate this statement by production to you or your nominee of a Certificate signed by a Chartered Accountant or Incorporated Accountant registered and practising in the United Kingdom

Signed on behalf of .....
Signature .....
Qualifications of Signatory.....

Export Credits Guarantee Department.

(2) (*a*).

(See the Guarantee Agreement.)

From Bay Muammer Eriş to Mr. F. H. Nixon.(1)

Dear Mr. Nixon, *London, May 27, 1938.*

I HAVE already explained to you that it is the intention of my Government, in availing itself of the facilities afforded by the agreement between my Government and yourself in connexion with the export of goods to Turkey, to give preference to schemes which will increase Turkey's revenues in foreign exchange, and I now confirm that out of the orders to be placed in the United Kingdom, at least two-thirds will be for mining equipment, transport, ports and port equipment, and other equipment required to enable Turkey to export in the most favourable conditions her mineral ores, coal, cereals, and other products for which there is a demand in free exchange countries. These orders will be placed as early as possible, in priority to other orders included in our programme.

Yours sincerely,
M. ERIS.

(1) Not published.

(2) (*b*)

(See Part II, Article 4, of the Guarantee Agreement.)

From Bay Muammer Eriş to Mr. F. H. Nixon.(1)

Dear Mr. Nixon, *London, May 27, 1938.*

IN article 4 of Part II of the agreement between my Government and yourself in regard to the guarantees of your department in connexion with the export of goods to Turkey, reference is made to a programme of exports of products which my Government intends to export from 1940 onwards to the British Empire and against foreign exchange freely convertible into sterling to foreign countries.

I now have pleasure in confirming to you that the above-mentioned programme is as follows:—

Chromite	65,000 tons
Copper	15,000 tons
Molybdenum, manganese, antimony	£100,000
Silver-lead-zinc concentrates or metals ...	£150,000
Iron ore	400,000 tons
Coal	400,000 tons
Wheat	40,000 tons

I am also authorised to inform you that should these sales of these exports prove disappointing, my Government intend, amongst other things, to make available as rapidly as possible the proceeds of additional and substantial quantities of copper and of chromite and to promote the export to the United Kingdom of cotton and wheat, and also (over and above the amounts envisaged for Sub-Account A of the clearing) of figs and raisins. The necessary arrangements are being made with the Eti Bank and other institutions to ensure that these additional supplies will be available for this purpose if required.

Yours sincerely,
M. ERIS

(1) Not published.

(2) (c).

(See Part III, Article 3, of the Guarantee Agreement.)

From Bay Muammer Eriş to Mr. F. H. Nixon.(1)

Dear Mr. Nixon, *London, May 27, 1938.*

IN article 3 of Part III of the agreement between my Government and yourself in regard to the guarantees of your department in connexion with the export of goods to Turkey, reference is made to an agreed schedule of maturities of the Turkish Treasury bills which are to be issued under the agreement. I now confirm to you that the principal amount of these bills falling due in each year and excluding interest will be as follows :—

Year.	*Schedule of bill maturities.* £	*Year.*	*Schedule of bill maturities.* £
1938	...	1946	1,010,000
1939	20,000	1947	1,060,000
1940	280,000	1948	1,120,000
1941	570,000	1949	1,180,000
1942	430,000	1950	1,250,000
1943	410,000	1951	1,320,000
1944	380,000		
1945	970,000		10,000,000

Yours sincerely,
M. ERIŞ.

(1) Not published

(2) (d).

(See the Guarantee Agreement.)

From Bay Muammer Eriş to Mr. F. H. Nixon.(1)

Dear Mr. Nixon, *London, May 27, 1938.*

I FEEL the urge to express to you my heartfelt thanks for the confidence you have, on every occasion, shown to us during the negotiations which have, so happily, culminated in the signature to-day of the Guarantee Agreement. My thanks are also due to you for having always shown such an accommodating spirit in our negotiations.

I want particularly to tell you how much I have appreciated the goodwill and understanding with which you have received our statements relating to the production of the metals and ores which are to be put at the disposal of Anglo-Turkish Commodities (Limited), and which, evidently, constitute one of the major bases of our arrangements.

In my opinion, it would also be very useful if you, accompanied by your experts, could in the near future pay another visit to Turkey, and thus secure additional material evidence to support the favourable opinion which, I am happy to observe, has already been formed in your mind. Such a visit will, moreover, have, I am sure, a very favourable influence in promoting further developments in our economic and financial relations.

I also wish to take this opportunity to express my great admiration for your efficient management of such an important department as Export Credits.

I am, &c.
M. ERIŞ.

(1) Not published.

(2) (e).

(See the Guarantee Agreement.)

From Mr. F. H. Nixon to Bay Muammer Eriş.(1)

Dear Muammer Bay, *May 27, 1938.*

I HAVE received the three letters which you have been good enough to address to me in connexion with the Guarantee Agreement signed to-day between your Government and myself, that is to say :—

(a) Your letter setting out the programme of Turkish exports referred to in article 4 of Part II of the Guarantee Agreement.
(b) Your letter setting out the schedule referred to in article 3 of Part III of our agreement.
(c) Your letter concerning your intention to give preference to certain types of projects in the placing of orders.

I should like to take this opportunity of thanking you for these letters on behalf of my Department.

At the same time, may I refer to your letter of to-day's date, in which you were kind enough to suggest the advisability of my paying another visit to Turkey with such experts as I may choose. I have been profoundly touched by the terms of your letter and I shall be happy to adopt your suggestion in the early future. While you and your colleagues have satisfied those of us who have been in constant contact with you that your statements in regard to Turkey's mineral wealth are not exaggerated, an independent report from the mining engineers I propose taking with me will doubtless remove any uneasiness which may have been felt by members of my committee and others who have not been privileged to discuss the question directly with you.

Your reference to my Department is very gratifying, coming as it does from a connoisseur in efficiency.

Yours sincerely,
F. H. NIXON.

(1) Not published

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(3)

Agreement between His Majesty's Government in the United Kingdom and the Government of the Turkish Republic regarding an Armaments Credit for Turkey.—London, May 27, 1938.

(Presented by the Secretary of State for Foreign Affairs to Parliament as Cmd. 5755 : "Turkey No. 1 (1938).")

WHEREAS the Government of the Turkish Republic have adopted an economic programme,(1) which was approved by the National Assembly of the Turkish Republic on the twenty-third day of December, nineteen hundred and thirty-seven, whereby provision is made for substantial increases in the amount and value of the mineral and certain other products to be exported from the Turkish Republic in future years;

And whereas the Trade and Clearing Agreement, signed on the second day of September, nineteen hundred and thirty-six,(2) between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Turkish Republic, has been supplemented by an Agreement signed on the twenty-seventh day of May, nineteen hundred and thirty-eight,(3) providing in Article 4 (2) (iv) (E) thereof for payments to be made to the Government of the United Kingdom, out of the receipts of United Kingdom companies known as the Anglo-Turkish Comptoir, Limited, and Anglo-Turkish Commodities, Limited, in respect of credits granted by that Government to the Government of the Turkish Republic for the purchase in the United Kingdom of material necessary for the defence of Turkey;

(1) Accounts of this programme will be found in "Turkey" Print [illegible] Part XXXIV Nos. 58, 65 and 66)
(2) "Treaty Series No. [illegible] (1936)" Cmd. [illegible]
(3) "Treaty Series No. [illegible] (1938)" [illegible]
[illegible]

Now, therefore, with a view to facilitating such purchases, the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Turkish Republic have agreed, subject to confirmation by the Parliament of the United Kingdom and by the National Assembly of the Turkish Republic, as follows:—

ARTICLE 1.

The Government of the United Kingdom undertake to advance by way of loan to the Government of the Turkish Republic such sums, not exceeding in the aggregate six million pounds sterling, as may be payable by the Government of the Turkish Republic under any contracts concluded by that Government with the approval of the Government of the United Kingdom for the purchase in the United Kingdom of material necessary for the defence of Turkey.

ARTICLE 2.

(1) There shall be added to each advance, made in accordance with Article 1 of this Agreement, interest, compounded half-yearly, at a rate of one per cent. per annum above the Bank of England discount rate in force from time to time or at a rate of three per cent. per annum, whichever is the greater, from the date on which each such advance is made until the date on which it is repaid or until the first day of January, nineteen hundred and forty-three, whichever date is the earlier, and thereafter at such rate (hereinafter referred to as the "certified rate") not being less than three per cent. per annum as the Lords Commissioners of the Treasury of the United Kingdom shall certify to be the appropriate rate on the first day of January, nineteen hundred and forty-three, for a loan of similar term guaranteed by the Government of the United Kingdom.

(2) The total amount of the advances, together with the interest thereon, unpaid on the first day of January, nineteen hundred and fifty-two (hereinafter referred to as the "principal sum"), shall be repaid by the Government of the Turkish Republic to the Government of the United Kingdom in pounds sterling by means of twenty equal half-yearly instalments, payable on the first day of July and the first day of January, of such amount as will secure the repayment by the first day of January, nineteen hundred and sixty-two, of the principal sum, together with interest on the amount thereof from time to time outstanding at the certified rate.

ARTICLE 3.

After the first day of January, nineteen hundred and fifty-two, the Government of the Turkish Republic shall have the option of discharging in whole or in part its obligations to pay instalments as provided in the preceding article by the repayment to the Government of the United Kingdom on the first day of January or on the first day of July of any year in pounds sterling of the principal sum or any part thereof then outstanding, and after any such repayment of a part of the principal sum the subsequent instalments shall be proportionately reduced.

ARTICLE 4.

The present Agreement shall be ratified and the instruments of ratification shall be exchanged at Angora. The present Agreement shall enter into force on the date of the exchange of ratifications.

In witness whereof the undersigned, duly authorised thereto, have signed the present Agreement and have affixed thereto their seals.

Done in duplicate in London, in the English language, this twenty-seventh day of May, nineteen hundred and thirty-eight.

A translation shall be made into the Turkish language as soon as possible and agreed between the Contracting Governments.

Both texts shall then be considered equally authentic for all purposes.

(L.S.) HALIFAX.
(L.S.) FETHI OKYAR.
(L.S.) M. ERIS

(3) (*a*).

(See the Armaments Credit Agreement.)

From the Turkish Ambassador to the Secretary of State.(1)

Your Excellency, *Turkish Embassy, London, May 27, 1938.*

WITH reference to the Anglo-Turkish Armaments Credits Agreement which is being signed to-day, I have the honour to transmit herewith to your Excellency a programme of exports of metals, mineral ores and other products which the Government of the Turkish Republic intends to export for payment in sterling or foreign exchange freely convertible into sterling.

2. On the instructions of my Government, I have the honour to inform your Excellency that during the years 1952 to 1962 inclusive the Government of the Turkish Republic will ensure the export of these metals, mineral ores and other products in sufficient quantities (in priority to all other demands for exports), and provide the sterling required to meet its obligations under the above-mentioned agreement.

3. The obligations of the Government of the Turkish Republic under the Armaments Credits Agreement shall, during the years 1952–62, form a first charge on the proceeds of sale of metals, mineral ores and concentrates sold by the United Kingdom company to be formed under the name of the Anglo-Turkish Commodities (Limited), and, if necessary, on the proceeds of sale of metals, mineral ores and concentrates and coal sold otherwise than by the above-mentioned company (i) in the British Empire (as defined in the Guarantee Agreement which is being signed to-day), and (ii) if sold by the Eti Bank and the Kömür Satis Birligi (or other Turkish institutions exercising the functions at present exercised by those bodies) in foreign countries against foreign exchange freely convertible into sterling, and on the proceeds of all sales in the United Kingdom of timber, wheat, fresh fruit and vegetables (other than nuts used as fruit), and canned goods.

4. If the obligations of the Government of the Turkish Republic under the Armaments Credits Agreement cannot for any reason be met out of the proceeds of sale of Turkish exports, as set out above, they will be met in sterling by the Government of the Turkish Republic from other resources.

I have, &c.
FETHI OKYAR.

(1) Not published

Enclosure in No. (3) (*a*).(1)

THE programme of exports of products which the Turkish Government intends to export from 1940 onwards to the British Empire and against foreign exchange freely convertible into sterling to foreign countries is as follows:—

Chromite	65,000 tons
Copper	15,000 tons
Molybdenum, manganese, antimony	£100,000
Silver-lead-zinc concentrates or metals ...	£150,000
Iron ore	400,000 tons
Coal	400,000 tons
Wheat	40,000 tons

(1) Not published

From the Secretary of State to the Turkish Ambassador.(1)

Your Excellency, *Foreign Office, May 27, 1938.*

I HAVE the honour to acknowledge the receipt of your Excellency's note of this day's date, in the following terms:—

[Here follows text of letter from the Turkish Embassy of May 27, No. (3) (*a*).]

2. I have the honour to inform your Excellency that I have taken note of this communication on behalf of His Majesty's Government in the United Kingdom.

I have, &c.
HALIFAX.

(1) Not published

ADDENDUM.

Exchanges of Notes bringing into Force certain Turkish Texts.

(i)

From the Turkish Ambassador to the Secretary of State.(1)

(No. 446/60.)
Your Excellency, *Turkish Embassy, London, June 10, 1938.*

WITH reference to the final paragraph of the agreement supplementary to the Anglo-Turkish Trade and Clearing Agreement of the 2nd September, 1936, which was signed in London on the 27th May, 1938, I have the honour to transmit to your Excellency herewith two copies (one of which I have initialled) of the Turkish text(2) of the said supplementary agreement.

I have the honour to request that I may be informed whether your Excellency agrees that the enclosed Turkish text is an accurate translation of the English text and that it may be considered as equally authentic with the English text for all purposes, as provided in the final paragraph of the said supplementary agreement.

I have, &c.
FETHI OKYAR.

(1) Not published. (2) Not printed.

[E 3440/67/44]

From the Secretary of State to the Turkish Ambassador.(1)

Your Excellency, *Foreign Office, June 13, 1938.*

I HAVE the honour to acknowledge the receipt of your Excellency's note No. 446/60 of the 10th June, 1938, transmitting two copies (one of which you had initialled) of the Turkish text of the agreement supplementary to the Anglo-Turkish Trade and Clearing Agreement of the 2nd September, 1936, which was signed in London on the 27th May, 1938.

2. I have the honour to inform your Excellency that His Majesty's Government in the United Kingdom agree that this text is an accurate translation of the English text and that it may be considered as equally authentic with the English text for all purposes, as provided in the final paragraph of the said supplementary agreement.

3. I have accordingly initialled one copy of the Turkish text and return it to you herewith.

I have, &c.
HALIFAX.

(1) Not published

(ii)

From the Turkish Ambassador to the Secretary of State.(1)

(No. 445/59.)
Your Excellency, *Turkish Embassy, London, June 10, 1938.*

WITH reference to the final paragraph of the Anglo-Turkish Armaments Credit Agreement which was signed in London on the 27th May, 1938, I have the honour to transmit to your Excellency herewith two copies (one of which I have initialled) of the Turkish text(2) of the said agreement.

I have the honour to request that I may be informed whether your Excellency agrees that the enclosed Turkish text is an accurate translation of the English text and that it may be considered as equally authentic with the English text for all purposes, as provided in the final paragraph of the said agreement.

I have, &c.
FETHI OKYAR

(1) Not published (2) Not printed

[E 3439/67/44]

From the Secretary of State to the Turkish Ambassador.(1)

Your Excellency, *Foreign Office, June 13, 1938.*

I HAVE the honour to acknowledge the receipt of your Excellency's note No. 445/59 of the 10th June, 1938, transmitting two copies (one of which you had initialled) of the Turkish text of the Anglo-Turkish Armaments Credit Agreement, which was signed in London on the 27th May, 1938.

2. I have the honour to inform your Excellency that His Majesty's Government in the United Kingdom agree that this text is an accurate translation of the English text, and that it may be considered as equally authentic with the English text for all purposes as provided in the final paragraph of the said agreement.

3. I have accordingly initialled one copy of the Turkish text and return it to you herewith.

I have, &c.
HALIFAX

(1) Not published

(iii)

From the Turkish Ambassador to the Secretary of State.(1)

(No. 447/61.)
Your Excellency, *Turkish Embassy, London, June 10, 1938.*

I HAVE the honour to transmit to your Excellency, herewith, two copies of the Turkish texts(2) of each of five notes or letters, signed in English, either by myself or Bay Muammer Eriş on the 27th May, 1938, upon the occasion of the signature of the Anglo-Turkish Supplementary Clearing and other agreements. I have initialled(3) one copy of each text.

I have the honour to request that I may be informed whether your Excellency agrees that the enclosed Turkish texts are accurate translations of the English texts, and if so whether you are willing to accept them as the only authentic texts of the notes or letters in question, the English texts being regarded as cancelled for all purposes.

I have, &c.
FETHI OKYAR

(1) Not published (2) Not printed.
(3) These copies, actually, are signed by the Ambassador

[E 3441/67/44]

From the Secretary of State to the Turkish Ambassador.(1)

Your Excellency, *Foreign Office, June 13, 1938.*

I HAVE the honour to acknowledge the receipt of your Excellency's note No. 447/61 of the 10th June, 1938, transmitting two copies of the Turkish texts of each of five notes or letters signed by your Excellency or Bay Muammer Eris on the 27th May, 1938, upon the occasion of the signature of the Anglo-Turkish Supplementary Clearing and other agreements, one copy of each text being initialled by your Excellency.

2. I have the honour to inform your Excellency that I agree that these Turkish texts are accurate translations of the English texts, and that I am willing to accept them as the only authentic texts of the notes or letters in question, the English texts being regarded as cancelled for all purposes.

I have, &c.
HALIFAX.

(1) Not published.

[E 3711/82/44] No. 43.

Mr. Morgan to Viscount Halifax.—(Received June 23.)

(No. 299 E.)

My Lord, *Angora, June 16, 1938.*

WITH reference to my despatch No. 352 E. of the 15th June, 1937, I have the honour to transmit to your Lordship herewith a translation(1) of the budget estimates for the financial year 1938–39, as finally voted by the Grand National Assembly. The corresponding figures for the year 1937–38 appear in a parallel column.

2. It will be observed that estimated revenue amounts to £T. 250,049,000 against estimated expenditure of £T. 249,954,000, giving an estimated surplus of £T. 94,980. These figures are the highest ever voted by the Turkish Republic and represent an increase of 8·2 per cent. as compared with the votes for 1937–38 and of 12·3 per cent. compared with the year 1930–31, which constituted the maximum reached during the 1923–36 period.

3. Revenue collected during the first eleven months of the financial year 1937–38, compared with revenue collected during the same period of the four immediately preceding years, is as follows:—

	£T. Million
1933–34	151
1934–35	179
1935–36	180
1936–37	217
1937–38	239

There has thus been a progressive increase during the last five years, which demonstrates the growing prosperity of this country in the economic domain. An interesting feature of the 1938–39 budget is the alleviation in the burden of taxation, for both the cattle and equilibrium taxes have been reduced, although extraordinary credits voted at the same time as the budget show an increase of 60 per cent. compared with the extraordinary votes for 1937–38; these credits for the year 1938–39 amount to £T. 57,918,000 as compared with £T. 36,086,000 in the preceding year.

4. The large surplus derived from extraordinary revenue in 1937–38 has rendered possible the grant of supplementary and extraordinary credits for various purposes amounting in all to some £T. 26 million, which reduces by the same amount the charges which would otherwise have to be met out of revenue in the present financial year.

(1) Not printed.

5. The increase in revenue anticipated amounts to £T. 19,029,000 as compared with 1937–38, constituted as follows:—

	£T.
Transactions tax	+ 4,607,000
Customs duties	+ 3,500,000
Consumption tax	+ 2,274,000
Monopolies revenues	+ 2,185,000
Crisis tax	+ 1,771,000
Profits tax	+ 1,730,000
Stamp duties	+ 1,035,000
Aviation tax	+ 630,000
Corn tax	+ 350,000
Other sources	+ 2,463,000
Total increases	+20,545,000
Less sundry reduced estimates	1,516,000
Net increase	+19,029,000

The increases foreseen are all based on constant rises in the yields from the various taxes, and in some cases do not amount to as much as the excess of the yield in the first eleven months of 1937–38 over the estimates for that year. The only important tax for which a decreased estimate has been made is the equilibrium tax, the rate of which has been reduced from 10 per cent. to 8 per cent. The Government anticipate, however, that the loss incurred by this reduction will be made up by a continued rise in the yield from this tax, though this anticipation is not given expression in the current estimates.

6. In expenditure provision is made for an increase of £T. 18,936,244 in ordinary expenditure and £T. 21,832,000 in extraordinary expenditure—a total of £T. 40,768,244. The principal items in the increases in ordinary expenditure are:—

(Thousands.)

	1937–38. £T.	1938–39 £T.	Increase in current estimates £T.
National Defence—			
Army	49,295	61,361	+ 12,066
Other branches ...	17,937	21,164	+ 3,227
Public Debt	49,149	50,738	+ 1,589
Ministry of Finance ...	20,252	21,419	+ 1,167
Education	12,229	14,670	+ 2,441
Health and Social Assistance	6,499	7,902	+ 1,403
Police	5,667	7,000	+ 1,333
Agriculture	6,113	7,144	+ 1,031

7. The National Defence vote is composed as follows:—

(Thousands.)

	Ordinary £T.	Extraordinary £T.	Total. £T.	Total increase. £T.
Army	61,361	10,000	71,361	17,266
Air force	8,050	6,520	14,570	4,728
Navy	6,584	350	6,934	300
Military factories	5,755	2,500	8,255	2,660
Director-General, Cartography	775	...	775	29
Redemption of loan bonds ...	7,100	...	7,100	- 660
Totals ...	89,625	19,370	108,995	net 24,413

The principal items in the defence vote which account for the increased total are £T. 8 million in the ordinary vote for new armaments, under Law No. 3395 of the 26th May (see my despatch No. 285 E. of the 6th June) and £T. 3 million for motorisation of the army, under the extraordinary vote. Increases in the air vote are entirely due to the decision of the Turkish Government to increase their number of aircraft. Military factories are also to be expanded.

8. As a result of the excess of extraordinary revenue over the estimates in the past financial year, which has already been referred to, it was possible to allot £T. 1,500,000 for the service of the National Defence bonds, thereby substantially reducing the amount required to be allotted for this object in the present budget, as compared with the previous year.

9. The Public Debt vote remains almost unchanged as regards loan services and pensions, but there is an increase of over £T. 4 million in provision for floating debt as compared with last year. The main distribution is as follows :—

(Thousands.)

	£T.		£T.	
Internal loans	3,456 as against 3,309 in 1937			
Floating debt	16,373	,,	12,245	,,
Foreign debt	7,152	,,	7,005	,,
Pensions	16,658	,,	16,660	,,
Totals	43,639		39,219	

The above floating debt totals do not include in either year allocations to National Defence bonds, or bonds issued for Public Works. These are included under their own headings. It should also be remembered that the foreign debt figures do not allow for the service of the annuities payable on railways, quays, water and telephone companies, which are included in the supplementary budgets prepared by the administrations of these different public services.

10. The somewhat larger allocation for internal loan service, notwithstanding the fact that the 1918 loan has now been withdrawn, is due to the issue of a new internal loan in 1938 in exchange for the 1918 bonds, as reported in Sir Percy Loraine's despatch No. 85 E. of the 12th February, and to the issue in 1937 of the fourth section of the Sivas–Erzerum Loan (mentioned in paragraph 15 of Sir Percy Loraine's annual report, Economic (A)). Provision is made under floating debt for the issue of bonds to cover extraordinary revenue to the amount of £T. 10 million as against £T. 6 million in 1937–38. This by itself is sufficient to account for the increase under that heading.

11. As regards Public Works, there has been a reduction of over £T. 9 million in the ordinary vote, offset by an increase of £T. 18,500,000 in the extraordinary vote. Parts of these changes cancel each other, for there appears an extraordinary credit of £T. 3 million odd to be met by the issue of Treasury bonds in 1938–39 under the heading "Public Debt," which corresponds to a sum of £T. 2 million odd which was required to meet Public Debt bonds under ordinary expenditure in the previous year. Among the extraordinary credits for Public Works the principal items are £T. 22 million for railway construction, as against £T. 4 million in 1937–38, and votes of £T. 1 million each for the Istanbul–Edirne road and assistance to the Administration of Airways. The vote for irrigation which appeared in this Ministry's budget for 1937–38 is not repeated this year as the execution of the five-year irrigation plan has been handed over to the Agricultural Bank. A law to this end has been laid before the Assembly.

12. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

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CONFIDENTIAL

(15753)

FURTHER CORRESPONDENCE

RESPECTING

TURKEY

PART XXXVI

JULY TO DECEMBER 1938

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CONFIDENTIAL.

Further Correspondence respecting Turkey.

PART XXXVI.—JULY TO DECEMBER, 1938.

[E 3887/56/44] No. 1.

Bay Fethi Okyar to Viscount Halifax.—(Received July 2.)

Your Excellency, *Turkish Embassy, London, June* 30, 1938.

WITH reference to your Excellency's note of the 23rd March, 1937, and of my note of the 14th April, 1937, I am directed to lay before your Excellency's consideration the following facts and observations respecting the claims of the Turkish heirs of the late Sultan Abdul Hamid. As your Excellency did, I propose, for the sake of clarity, to deal with your note paragraph by paragraph.

In paragraphs 2, 3, 4, 5, 6 and 7 of your above-mentioned note your Excellency has dealt, in detail, with municipal remedies rule, quoting the decision rendered by Dr. Bagge in the arbitration proceedings which took place between Great Britain and Finland in regard to the use of certain Finnish vessels during the war. Your Excellency has also referred to the opinion of Professor Borchard in this matter.

In my previous note on the subject I had the honour to state that the municipal remedies rule ceases to be applicable when it is found out that it is inoperative. In fact, this happens to be the case where the interpretation of a treaty is involved. This exception to the general rule is always admitted. I could quote the most recent arbitral decisions; the last being that of M. Unden of the 29th March, 1933, relative to the interpretation of article 181 of the Treaty of Neuilly, printed in Upsala by A.B. Lunequisteka Bokhandlung (p. 29). In quoting this exception, I had not the least intention of doubting of the independence of the courts in countries under British administration. In fact, I have the honour to state that the most independent courts usually accept, as a matter of principle, the interpretation of their Governments in this respect. And I think this can easily be understood, on account of the fact that it is always the Government who is really competent to interpret a treaty.

As to the opinion of Professor Borchard, I would like to point out to your Excellency that the examples which this eminent professor puts forward are exclusively taken from the United States. I feel it necessary to draw your Excellency's attention to this point, as the American procedure is not always in harmony with general international practice. In order to avoid long arguments and examples I may be allowed to request your Excellency to refer to the proceedings of the Institute of International Law which was held at Oslo in 1932 (*Annuaire de l'Institut de Droit international* of 1932). Besides, the discussion on this question seems to me to be without object, since the claimants for whom the Turkish Government is intervening have always been the lawful titulary claimants.

In paragraph 8, your Excellency deals with the extent to which the Turkish heirs of Sultan Abdul Hamid have assigned their interests in the claim to non-Turkish companies. May I be allowed to say that I am not in agreement with your Excellency on this point? As I have had the honour to point out to your Excellency in my previous correspondence, the fact that some of the claimants were obliged to make arrangements with non-Turkish individuals or companies

in order to pursue their claims does not change the main issue. These arrangements were solely entered into in order to have their rights recognised. These arrangements had this only object in view, and nothing more. Therefore, the claimants continue to be directly interested in the recognition of their rights, and consequently the Turkish Government does nothing more on this occasion than give protection to their nationals. Furthermore, I would like to stress the fact that none of the Turkish heirs have transferred their rights to foreigners. An examination of property registration records will convince anyone on this point.

With reference to the arguments put forward in paragraphs 9 and 10 of your note, I regret to be obliged to say that I am not in agreement with your Excellency on these points. First of all, in this paragraph your Excellency maintains that, "even at the time of the signature of the Treaty of Lausanne, Iraq was already a separate State, although, being under mandate, she was not a fully sovereign State." I have to point out to your Excellency that I cannot at all accept this interpretation, which is contrary to the established principles of international law. Moreover, the fact that the status of a mandated territory is recognised and so attributed to Iraq after the Lausanne Treaty cannot in any way diminish the responsibility of His Majesty's Government as a signatory to the Lausanne Treaty. Your Excellency, in this respect, has kindly drawn my attention to certain articles of the Treaty of Alliance concluded between the United Kingdom and Iraq on the 30th June, 1930. May I be allowed to state, in reply, that Turkey is not a signatory to this treaty and therefore cannot be held bound by its stipulations?

When the Iraq Government promulgated the law of the 15th March, 1927 (12th Ramadan, 1345), as far as I am aware, His Majesty's Government made no representations to the Government of Bagdad regarding the consequences of this law. This silence implies, in my opinion, a failure on the part of His Majesty's Government as a mandatory Power. By the Lausanne Treaty, His Majesty's Government had assumed to protect the rights, interests and property handed over to them with the understanding that the rights would be fully safeguarded. Consequently, I am bound to add that this failure to intervene on the part of His Majesty's Government further justifies the Turkish Government in their support of the claim diplomatically.

With regard to property in Cyprus, may I be allowed to state that the Turkish heirs of Sultan Abdul Hamid have regular title deeds pertaining to property duly registered in the name of Sultan Abdul Hamid? I think that the Government of Cyprus cannot, in all equity, help but recognise these rights. I fail to understand how the rightful heirs, with proper documents in hand, cannot have their rights recognised. That during the lifetime of Sultan Abdul Hamid claims in this respect were not made cannot, I think, deprive the heirs of their rights. I would like, further, to bring to your Excellency's notice the fact that, according to the Cyprus Convention of the 4th June, 1878, between Great Britain and Turkey, Great Britain undertook to pay for the property belonging to the Turkish Civil List the sum of £5,000 per annum. Since that date this sum has never been paid.

Referring to paragraphs 14 and 15 of your note, I have the honour to state that I fully share your Excellency's opinion that article 60 of the Treaty of Lausanne is, if not the sole ground of discussion, at any rate the principal ground so far as the merits of the claim are concerned. However, I regret to have to tell your Excellency that I am not in agreement with the interpretation of this article by M. Haladjian. A close study of the *procès-verbaux* of the Lausanne Conference will show clearly the successive changes brought to the text of what was to become article 60 of the treaty. As your Excellency is aware, when two States disagree—which seems to be the case now—as to the interpretation of a treaty, the best course for them is to consult the *procès-verbaux* of the discussions which led to the drafting of the treaty. And failing to find the elements of an agreement, then the only course to follow is to bring the dispute to the judgment of an arbitrator, a course which I had the honour to suggest in my previous letter. Furthermore, I feel the urge to point out to your Excellency that we are not prepared to accept M. Haladjian as an authority on the subject. He is neither a jurist of repute nor an authority on international law. Furthermore, he is a politician who is totally unqualified to assume the task of making a fair report on the subject. In this connexion, I would like to bring to your Excellency's knowledge a judgment rendered by the Land Court in Palestine. This judgment,

as your Excellency will admit, is contrary to the opinion held by M. Haladjian, and proves beyond doubt that his arguments were unfounded. A copy of this judgment is enclosed herewith for your Excellency's information.(1)

In paragraph 10 your Excellency mentions the judgment of the 7th May, 1935, of the Franco-Turkish Mixed Arbitral Tribunal, regarding the claims of the widows of Sultan Abdul Hamid, with provision for its transmission to his children. May I, in this connexion, bring to your Excellency's notice the letters which were exchanged by the Turkish Minister for Foreign Affairs and the French Ambassador on the 28th October, 1932, regarding the claims for property situated in Syria made by the Turkish heirs of Sultan Abdul Hamid? In fact, by virtue of these letters, the French Government have accepted that the provisions of the Turco-French Agreement regarding the properties of Turks in Syria and of Syrians in Turkey apply also to the Turkish heirs of Sultan Abdul Hamid.

Before concluding, I would like to thank your Excellency for your desire to express "sincere regret at the inability of His Majesty's Government in this matter to meet the views of a Government with which they are on terms of such cordial friendship." I greatly appreciate this sentiment. However, I beg leave to assure your Excellency that my Government are not prepared to modify their attitude on this question.

Your Excellency was kind enough to assure me that His Majesty's Government would not adopt this attitude were they not convinced of its justice both in law and equity. I beg leave to assure your Excellency that the Turkish Government are equally convinced of the justice of their attitude, both in law and equity, and that their attitude in this respect is not likely to be altered. The conviction of the Turkish Government is further strengthened by the fact that the arguments of M. Haladjian are unfounded, as it has been previously proved, and it is this conviction which has determined them to bring these facts to your Excellency's further consideration. Your Excellency maintains that His Majesty's Government is convinced of the justice of their attitude. I may be allowed to state that my Government fail to understand why, then, under such good premises, His Majesty's Government do not find their way to accept our offer of arbitration. The question, reduced to its lowest terms, is nothing more than an interpretation of a treaty to which both Governments are parties.

I venture to hope that the love of justice which has always inspired the decisions of His Majesty's Government will finally determine them to accept the offer of arbitration which I have the honour to suggest again, and by so doing put an end to a question which has remained unsolved for so long.

I have, &c.
FETHI OKYAR.

(1) Not printed.

[E 3981/29/59] No. 2.

Mr. Morgan to Viscount Halifax.—(Received July 5.)

(No. 30.)
(Telegraphic.) R. *Istanbul, July 5, 1938.*

AN official communiqué announces signature on 4th July at Angora in presence of a representative of Syria of a Turco-French Treaty of Friendship, which is to take place of Treaty of Friendly Conciliation and Arbitration of 3rd February, 1930.

Treaty provides, *inter alia*:—

(1) That neither party will enter any political or economic combination directed against the other.
(2) That if one of the parties is victim of aggression, the other will lend no help to aggressor.
(3) That in the case of any threat to territorial integrity of sanjak both parties will collaborate in carrying their engagements under treaty of 29th May, 1937, regarding integrity of sanjak.

Treaty is to be ratified and to be in force for ten years.

Treaty is followed by a joint declaration to the effect that both parties will work to put into execution the Statute of Sanjak and fundamental law adopted by Council of League of Nations on 29th May, 1937, in spirit of agreement of Angora of 20th October, 1921, which recognised preponderance of Turkish element in sanjak, while affirming that question of sanjak was not a territorial one for Turkey.

Joint declaration then treats of relations between Turkey and Syria and Lebanon. It is followed by a protocol regulating situation of optants for Turkey, Syria or Lebanon.

Please send to Paris.

[E 4018/67/44] No. 3.

Mr. Morgan to Viscount Halifax.—(Received July 7.)

(No 320.)
My Lord, *Istanbul, July* 1, 1938.

AS I had the honour to report in my telegram No. 22 of the 30th June, the Grand National Assembly voted, on the 28th June, a law approving the Supplementary Clearing Agreement and the two credits agreements signed in London on the 27th May. It had originally been intended to introduce the Bill on the 27th June, but technical difficulties arose and caused delay, with the result that I was prevented from attending the sitting as I had hoped to do. Mr. Nixon and the commercial counsellor were present.

2. In order that the commercial, rather than the political, aspect of the agreements might be emphasised (as suggested in your Lordship's telegram No. 81 of the 27th May) it was arranged that the Bill should be introduced by M. Muammer Eriş. The Minister of National Economy followed with a speech emphasising the importance of the agreements. Four other Deputies spoke, congratulated the Government on the success of the negotiations, and referred in warm terms to the attitude of His Majesty's Government.

3. The Prime Minister alluded to the agreements on the following day in the course of a speech which brought the Assembly's session to a close. His Excellency's remarks, which were briefly summarised in my telegram under reference, are quoted in the enclosed extract from the Anatolia Agency bulletin of the 30th June.(1)

I have, &c.
JAMES MORGAN.

(1) Not printed.

[E 4022/60/44] No. 4.

Mr. Morgan to Viscount Halifax.—(Received July 7.)

(No. 325.)
My Lord, *Istanbul, July* 1, 1938.

I HAVE the honour, with reference to Sir Percy Loraine's despatch No. 281 of the 3rd June, to report that the Amnesty Bill was adopted by the Grand National Assembly on the 29th June. The text of the Bill has not yet been published, but I understand that it covers, as foreshadowed, the 150 persons referred to in the Lausanne peace settlement and the persons condemned by the Independence Tribunals, and also officials condemned by special commissions to dismissal and loss of pension rights.

2. The Prime Minister referred to this Bill in his speech of the 29th June, other portions of which have been summarised in separate despatches. The general sense of M. Bayar's remarks, which I need not report in detail, was that the republican ideal had been realised beyond all hopes; that the republic was as solid as granite and feared nothing and no one; and that the Assembly could well invite persons who had rejected and betrayed the present régime to come and witness its achievements, and then tell them that they were pardoned. Moreover, since Turkish unity and the Turkish régime were a block of steel, the Turkish people wished to advertise this fact to the world at large, and this was the second object of the pardon.

3. His Excellency then stressed the determination of the revolution to continue in the way of sacrifice and virtue and to pursue its work in the interests of the nation, and terminated this part of his speech by a fresh, and distinctly emphatic, warning that no foreign political movement, whether of the Left or the Right, would be tolerated in Kemalist Turkey. It would encounter, he said, first the laws of the country and would then "crumble before the dash and the attack of men animated by revolutionary fire."

4. I would add that, to judge by Yunus Nadi's recent editorials on the subject, the question of the amnesty led to considerable searching of heart amongst a section, at any rate, of the Assembly. In particular, a letter addressed to Yunus Nadi by an individual in Aleppo, abusing his person and announcing *inter alia* that the 150 would return to Turkey despite everything, led to a retort in that extravagant author's most acrid style, in which he expressed the view that any Deputy would be perfectly justified in voting against the measure.

I have, &c.
JAMES MORGAN.

[E 4218/29/89] No. 5.

Sir P. Loraine to Viscount Halifax.—(Received July 16.)

(No. 35.)
(Telegraphic.) *Istanbul, July* 16, 1938.

SIR M. PETERSON'S telegram No. 53, Saving.

Turkish Minister for Foreign Affairs tells me Iraqi Minister pressed Turkish Government with some vigour to partition sanjak with Syria; and that these representations were listened to with friendly courtesy and with an expressed desire to consider favourably any reasonable or practical views. It was pointed out to Iraqi Minister that before Turkish Cabinet could consider the matter specific proposals would have to be prepared taking into consideration Turkey's known desiderata as regards Antioch and a "natural" frontier, and that French as well as Syrians must be consulted.

No such proposals have emerged, and Turkish Minister for Foreign Affairs has politely indicated that matter must lapse so far as Turkey is concerned. Turkey does not desire partition and prefers to stand by Geneva settlement. She also dislikes the idea of any further compulsory exchanges of population.

See my immediately following telegram.

Please send to Paris.

(Repeated to Bagdad. Copy sent to Paris.)

[E 4219/29/89] No. 6.

Sir P. Loraine to Viscount Halifax.—(Received July 16.)

(No. 36. Confidential.)
(Telegraphic.) *Istanbul, July* 16, 1938.

MY immediately preceding telegram.

As both Syrian and Iraqi pressure for a partition of sanjak seemed to me rather unaccountable, I asked Dr. Aras what were, in his opinion, the motives.

He himself is also rather puzzled. He surmises that Syria would regard it as a diplomatic success to obtain in full ownership a portion of sanjak: and he senses that Syrian Government entertains hopes of eventually absorbing Lebanon into a Syrian State, which would account for their willingness to let Turkey possess the port of Alexandretta.

He imagines that the Iraqi Government must be playing at high politics, and working on a conception of Arabic solidarity which he himself regards as muddled and mistaken from the point of view of Iraq's real interest.

[1938]

He further imagines that two Arabic States will feel that solution of sanjak problem on Geneva lines is one from which they must continue to dissent; whereas, if they could get it changed to a partition and acquire the kudos they anticipate therefrom, he believes they would look forward to applying their whole energies to the furtherance of the Arab cause in Palestine.

Please send to Paris.

(Repeated to Bagdad.)

[E 4240/82/44] No. 7.

Mr. Morgan to Viscount Halifax.—(Received July 18.)

(No. 335 E.)

My Lord, *Istanbul, July 8, 1938.*

THE Prime Minister devoted a large portion of the speech which he delivered at the closing session of the Grand National Assembly on the 29th June (in which connexion I have already had the honour to address to your Lordship my despatches Nos. 319, 320, 323, 324 and 325 of the 1st July) to the financial and economic situation of the country. Describing finance as perhaps the most important preoccupation of both Assembly and Government, M. Celâl Bayar recalled that the budget for the year 1938–39 was the largest in the history of the Turkish Republic; and in this budget the largest credits had been placed at the disposal of the Ministry of Defence. In addition an extraordinary defence programme, to cost £T. 125 million, had (as reported in Sir Percy Loraine's despatch No. 285 of the 6th June last) been voted and would be carried out with all the energy at the Government's command. He further pointed out that one of the principles of the Government's policy was to keep distinct from the budget a large proportion of the work of reconstruction which was being carried out; this work was being financed through different credit organisations which had been created. The irrigation of the plain of Adana, for example, which had originally been an undertaking of the Ministry of Public Works, had now been entrusted to the Agricultural Bank, and the £T. 30 million which were required for that purpose no longer figured in the budget. In the same way the reduction in the budgetary allocation for the Ministry of National Economy was only apparent, since if the funds to be obtained from various credit institutions were taken into account there was actually an increase of some £T. 20 million. In justification of this method of financing reconstruction work, M. Celâl Bayar said that no enterprise was undertaken unless it was of a productive nature; and that unproductive works found no place in the budgetary credits any more than among the tasks assigned to the State credit institutions.

2. The Prime Minister informed the Assembly that, now that the construction of the last few factories had been started, the first Five-Year Plan of industrialisation could be regarded as having been applied with success and brought to a close. The experience which they had gained and the present financial situation of the country had enabled the Government to inaugurate a second Five-Year Plan. No public definition had as yet been given of this plan, but the Government would work on it during the summer recess with, he hoped, eminently satisfactory results. The aim of industrialisation was to serve at once the interests of the national economy and those of national defence. He revealed in this connexion that Turkey was already in a position to undertake satisfactorily the manufacture of certain articles of military necessity.

3. Turning to the fiscal policy of the Government, M. Celâl Bayar said that the aim which was being followed was the progressive lightening of taxation. He pointed out that in the current budget the Assembly had voted adjustments and reductions of taxation which would cost £T. 10 million. It might be objected that these millions could have been more profitably employed. This was not the experience of the Government, who were seeking to establish the incidence of taxation on such a basis that the tax-payer was not discouraged, but was rather enabled to make satisfactory profits, of which the Government took their share. He was convinced that, even if the Ministry of Finance lost revenue in the first year as a result of the recent reductions, the stimulus which would be given to enterprise would more than compensate them in subsequent years.

4. The Prime Minister subsequently reviewed the economic situation of the country. Using Turkey's foreign trade figures as a convenient yardstick, he pointed out the large increase registered in the current year both in exports and in imports. The latter had, admittedly, grown more rapidly than the former, but M. Celâl Bayar went so far as to welcome this development since, he said, the increased imports were largely accounted for by machinery and materials which would enhance the productive capacity of the country. There was also a certain increase in imports of consumption goods, but it must be remembered that the home production of similar articles was advancing at the same time. He drew the conclusion that the purchasing power of Turkey as a whole was increasing constantly. Alluding to the fact that some 90 per cent. of Turkish exports were represented by agricultural products, the Prime Minister said that the Assembly might wonder why a larger allocation had not been made in the budget for the Ministry of Agriculture. The reason was that agriculture was in a state of transition. Plans were gradually being elaborated for the progressive increase of State control in this field and it was not until a long-term programme had been drawn up that the Assembly would be asked to vote credits for the development of this most important branch of the national economy. In this connexion M. Celâl Bayar referred to the forthcoming Agricultural Congress which the Government have planned to hold at Angora at the time of the celebrations of the anniversary of the republic.

5. Before turning from the economic situation to other matters, the Prime Minister gave an interesting definition of the Government's attitude towards foreign capital. He recalled that many foreign concessionary companies operating in Turkey had been bought out and nationalised by the Government. Nevertheless, this did not indicate any hostility towards foreign capital. It was only upon fugitive capital or upon investments with a political complexion that they frowned. Foreign investment in long-term undertakings in Turkey was welcome and would be lent assistance. The apparent contradiction between this pronouncement and the policy which had been pursued of buying up the foreign concessionary companies was explained, perhaps somewhat disingenuously, by the observation that these companies had not fulfilled the obligations which they had undertaken in their contracts, which latter had in any event but a short time to run.

6. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.

JAMES MORGAN.

[E 4338/82/44] No. 8.

Sir P. Loraine to Viscount Halifax.—(Received July 22.)

(No. 343 E.)

My Lord, *Istanbul, July 13, 1938.*

IN the tenth paragraph of the Annual Report, Economic (A), enclosed in my despatch No. 205 E. of the 27th April last, were given the provisional results of State revenue and expenditure for the financial year 1936–37. My commercial counsellor has now obtained from the Ottoman Bank an analysis of the final figures for that year, of which I have the honour to transmit a copy to your Lordship herewith.

2. It will be observed that total realised revenue amounted to £T. 271,078,532·92; but, for the purpose of comparison with the estimates, an amount of £T. 34,560,963·70 should be deducted as representing extraordinary revenue for which no provision was made in the budget. Ordinary revenue accordingly totalled £T. 236,517,569·22, which shows an excess over estimated revenue of £T. 25,753,569·22.

3. Expenditure amounted to £T. 260,265,323·00, but for the reasons given in the Ottoman Bank's analysis no differentiation is made between ordinary and extraordinary expenditure. If, however, extraordinary revenue is added to ordinary revenue, it becomes possible to make a comparison between revenue and expenditure inclusive of extraordinary receipts and payments. On this basis

there was an apparent surplus of revenue over expenditure of £T. 10,813,209·76, but it should be noted, as is shown in the analysis, that certain items shown under the heading of extraordinary receipts were in fact derived from advances.

4. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

Enclosure in No. 8.

Comptes définitifs de l'Exercice 1936-37.

Il ressort des comptes définitifs établis par le Trésor que les recettes totales au cours de l'exercice 1936-37 se sont élevées à ... ... £T. 271,078,532·92
Toutefois, un montant de ... ... 34,560,963·70

provient de ressources extrabudgétaires qui n'ont pas été prévues au budget.

Les recettes normales ont, ainsi, atteint au cours de l'exercice considéré ... ... 236,517,569·22
Elles marquent sur les prévisions qui avaient été de ... 212,764,000

une augmentation de ... ... 23,753,569·22
et sur les recettes de l'exercice précédent (1935-36), qui portaient sur ... ... 200,476,491·85

un accroissement de ... ... 36,041,077·37(*)
Les dépenses totales se sont élevées à ... ... 260,265,323·16
Ont été payées au cours d'exercice ... ... 239,992,581·28
Ont été reportées à l'exercice suivant... ... ... 20,272,741·88

Ces chiffres comprennent tant les dépenses ordinaires qu'extraordinaires, ainsi que les comptes d'ordre revenant au Trésor

L'exposé sur les comptes définitifs fait une énumération des dépenses ordinaires et extraordinaires, mais celle-ci n'embrasse que les paiements effectués en 1936-37 (£T. 239,992,581·28) et ne s'étend pas aux dépenses (£T. 20,272,741·88), lesquelles, engagées en 1936-37 et reportées à l'exercice suivant, sont payables sur les sommes disponibles de l'exercice considéré, de sorte qu'il n'est pas possible d'établir séparément les chiffres des dépenses ordinaires et extraordinaires engagées en 1936-37.

Recettes—

Les recettes normales qui se sont élevées à ... ... £T. 236,517,569·22
proviennent des revenus prévus au budget.

Elles accusent une plus-value sur les prévisions de ... 23,753,569 (†)
due à un accroissement du rendement des revenus suivants :

	£T.	
Douanes	9,519,652	
Impôt de transaction	3,133,456	
Taxes de consommation...	2,499,242	
Monopoles	3,189,776	
Forêts de l'Etat	389,339	
Impôt d'équilibre	894,142	
Impôt de crise	1,063,650	
Secours à l'aviation	1,003,741	
		21,892,998
Divers		1,860,571
		23,753,569

(*) L'accroissement réel n'est que de 35,200,000 environ, si l'on tient compte des modifications opérées sur certains revenus en 1936-37.

(†) La rubrique "Donation," quoique offrant primitivement parmi celles intéressant les recettes ordinaires et figurant aux comptes provisoires pour £T. 1,200,000, a été considérée dans les comptes définitifs parmi les ressources extraordinaires.

	£T.
Les recettes extraordinaires se sont élevées à	28,384,315·99
Avances sur bons neuf mois par la Banque centrale... ...	12,504,356·24
Monnaies d'argent (nouvelle frappe)	5,685,400
3me tranche Emprunt Sivas-Erzéroum	4,078,370·71
Bons 5½ pour cent en vertu des Lois 2243, 2457 et 2806 ...	3,505,635·43
Vente titres	521,733
Protection du blé (Lois 2466 et 2643)	1,858,535·16
Montant pour la ligne Afyon Karahissar-Antalya... ...	220,818·12
Emprunt pour la plaine de Konya	7,077·97
Assurances des monopoles	2,380·36
	28,384,315·99

Les recettes extrabudgétaires perçues sur base *de lois spéciales* se sont élevées à ... ... 1,733,417·58
Elles comprennent les recouvrements effectués sur base de l'article 27 de la Loi des Finances ... ... 1,285,604·07
le produit de vente de quinine, &c. ... ... 204,712·11

Les recettes extraordinaires du chef des *comptes d'ordre du Trésor* ont, enfin, atteint ... ... 3,026,801·00
Ainsi, les recettes générales, en 1936-37, ont été de ... ... 271,078,532·92
et les dépenses générales (y compris £T. 20,272,741·88 établies en 1936-37 et reportées à l'exercice 1937-38) ... 260,265,323·16

Il ressort un excédent de ... ... 10,813,209·76
qui n'est pas, toutefois, réel si l'on considère que certaines rubriques du chapitre "Ressources extraordinaires" expriment des montants réalisés par voie d'emprunts, soit :

Avances au Trésor par la Banque centrale sur bons de Trésor à neuf mois	12,504,356·24
3me tranche de l'Emprunt Sivas-Erzéroum	4,078,370·71
Bons 5½ pour cent (couverture des dépôts)	3,505,635·43
Afyon Karahissar Antalya	220,818·12
Plaine de Konya (emprunt)	7,077·97
	20,316,276·47

Le Trésor avait, néanmoins, à fin mai 1937, dans ses caisses et auprès des banques une somme disponible, provenant tant de l'exercice 1935-36 que de celui de 1936-37, de 41,614,371
Si l'on déduit de cette somme les dépenses établies en 1936-37 20,272,741
reportées à l'exercice suivant et payables sur le disponible ci-dessus, il reste un disponible de 21,341,630

Ces chiffres diffèrent sensiblement de ceux publiés dans le Bulletin No. 26 de la Banque centrale (page 149).

La banque précitée tient compte dans le chapitre des dépenses :

(1) Seulement des paiements effectués en 1936-37 sur les *dépenses ordinaires*, qui n'ont été que de £T. 206,143,000, et néglige les paiements sur les dépenses extraordinaires, qui ont porté sur £T. 33,848,908 ;
(2) Par contre, de la totalité des dépenses tant *ordinaires qu'extraordinaires* (£T. 20,273,000) établies en 1936-37 et reportées à l'exercice suivant.

Pour les recettes, elle se base sur le montant total des recettes tant ordinaires qu'extraordinaires, déduction faite des emprunts, qu'elle chiffre par ailleurs à £T. 20,844,000.

Elle arrive ainsi, en tenant compte des emprunts mais en négligeant les dépenses extraordinaires, à un excédent de *£T. 33,330,000*, alors que, compte tenu des emprunts et des dépenses extraordinaires, l'exercice marque un déficit de £T 9,500,000.

[E 4314/67/44] No. 9.

Sir P. Loraine to Viscount Halifax.— (Received July 21.)

(No. 352.)
My Lord, *Istanbul, July 16, 1938.*

I HAVE the honour to inform your Lordship that, in the course of a lengthy conversation which I had with the Turkish Minister for Foreign Affairs yesterday evening, the question of Anglo-Turkish economic relations was touched on in several aspects.

2. Certain of these aspects I should prefer to discuss with Mr. Nixon, who is temporarily absent from Istanbul, before addressing any further report to your Lordship.

3. One aspect Dr. Aras has requested me to lay before your Lordship with the least possible delay and as a matter of urgency.

4. His Excellency said that the Turkish Government foresee difficulty during the next two years in finding enough sterling exchange to meet the obligations they have accepted as payable in sterling, which it is their firm resolve punctually to fulfil.

5. In order to make certain that the requisite sterling exchange shall be available, they now wish to dispose to British interests of their interest in Iraq petroleum. Their object is to capitalise this interest and to place the capital sum thus realised in London, presumably in their account with Anglo-Turkish Commodities (Limited). They are willing either to sell this interest outright, or to pledge it, provided that the capital sum can be realised, and they calculate that the deposit of the capital sum will ensure the punctual discharge of their sterling obligation during the two years of continued penury of foreign exchange which they foresee.

6. I have thought it well to submit this Turkish proposal to your Lordship without delay. I shall discuss it with Mr. Nixon on his return to Istanbul within the next forty-eight hours, and shall then, if necessary, address your Lordship further on the subject.

I have, &c.
PERCY LORAINE.

[E 4622/945/44] No. 10.

M. Cambon to Viscount Halifax.- (Received August 8.)

Ambassade de France,
M. le Secrétaire d'Etat, *Londres, le 6 août* 1938.

PAR une note du 21 mai 1936, M. Corbin a mis le Gouvernement britannique au courant des conditions dans lesquelles le Gouvernement français avait, par un accord en date du 29 avril 1936, consenti à aider la Turquie à transférer le montant de sa dette. Aux termes de cet accord le transfert de la dette turque devait se faire pour moitié en devises libres et pour moitié en marchandises turques, dont l'importation en France était assurée par une Société commerciale franco-turque.

Au mois de mars dernier, le Gouvernement turc, arguant de difficultés financières accrues, a informé le Conseil de la Dette de son intention de ne plus payer le coupon qu'en marchandises.

A la demande du Gouvernement français, des pourparlers s'ouvrirent à Paris qui ont abouti, le 18 juillet, à un échange de lettres par lequel les deux Gouvernements ont convenu d'apporter à l'accord du 29 avril 1936 les modifications suivantes :

1. Le règlement des échéances de la dette extérieure turque sera effectué, jusqu'à l'expiration de l'accord, non plus à concurrence de 50 pour cent. en devises et à concurrence de 50 pour cent. en marchandises, mais à concurrence de 100 pour cent. en marchandises. Ces marchandises seront destinées à être vendues en France par la société commerciale franco-turque dans les mêmes conditions que les marchandises achetées jusqu'ici à raison de 50 pour cent. contre des

montant des échéances, le Conseil de la Dette publique répartie de l'ancien Empire ottoman restant chargé du règlement des coupons à l'aide des sommes qui lui seront versées par la Société commerciale franco-turque.

2. Cette modification aura effet à compter du mois d'avril 1938 en ce qui concerne l'emprunt 1933 et l'emprunt 1934, et à compter du 1er décembre 1937 en ce qui concerne les annuités dues à la Société des Quais d'Istanbul et à la Société des Quais d'Izmir.

3. L'emprunt 1935 Société des Chemins de Fer de l'Aidin, dont le service a fait l'objet d'un arrangement spécial entre le Gouvernement anglais et le Gouvernement turc, sera exclu du champ d'application de l'accord du 29 avril 1936. Les livres turques versées au mois de novembre 1937 pour le service de cet emprunt et non encore transférées seront mises à la disposition du trustee.

L'accord intervenu dans ces conditions permet d'écarter une suspension de la partie du transfert de la dette extérieure turque qui, aux termes de l'accord du 29 avril 1936, était assurée en devises libres. Le Gouvernement français a tenu à sauvegarder les intérêts de tous les porteurs et notamment des porteurs anglais en acceptant une modalité de transfert dont la France fait tous les frais, puisque l'importation supplémentaire de produits turcs, au lieu d'aider au développement de l'exportation française, servira à assurer le transfert des annuités dues aux porteurs tant étrangers que français de la dette extérieure turque.

D'ordre du Gouvernement de la République, j'ai l'honneur de porter les indications qui précèdent à la connaissance de votre Excellence.

Veuillez, &c.
ROGER CAMBON.

[E 4728/947/44] No. 11.

Sir N. Charles to Viscount Halifax.—(Received August 12.)

(No. 746.)
My Lord, *Rome, August 10, 1938.*

LORD PERTH in his telegram No. 478 of the 28th May reported that the Council of Ministers had approved the adherence of Italy to the Montreux Straits Convention of the 20th May, 1936.

2. I have the honour to inform your Lordship that the *Official Gazette* No. 177 of the 5th August published a decree-law No. 1160 of the 16th June recording this approval. The decree-law states that the approval is subject to the reservations made by Italy on the 2nd May, 1938, at the time of her adherence and that the decree itself has effect as from the 2nd May. The note sent by the Italian Chargé d'Affaires in Paris to the French Minister for Foreign Affairs on the 2nd May, containing the reservations mentioned, is also printed in the *Gazette* as an annex to the decree, and I enclose the text in Italian with an English translation. It will be seen that these reservations safeguard Italian liberty of action with regard to the Covenant of the League of Nations and her obligations thereunder and with regard to the references in the convention to the Covenant.

3. I am sending a copy of this despatch to His Majesty's Minister at Istanbul.

I have, &c.
NOEL CHARLES.

Enclosure in No. 11.

The Italian Chargé d'Affaires at Paris to the French Minister for Foreign Affairs.

(Translation.)

ON instructions from my Government I have the honour to inform your Excellency that Italy, in conformity with article 27 of the convention regarding the Straits signed at Montreux on the 20th July [*sic*], 1936, which replaces the

Convention of Lausanne of the 24th July, 1923, adheres to the convention in question subject to the following declaration :—

> "The present adherence does not modify in any way the position of Italy in regard to the League of Nations, either in respect of the Covenant of the League of Nations or in respect of the treaties of mutual assistance concluded within the framework of that Covenant. The adherence of the Italian Government does not prejudice henceforth in any way their full liberty of judgment in so far as concerns the application of articles 19 and 25 of the said convention in relation to the Covenant and the said treaties of mutual assistance."

It is understood that Italy, in giving her adherence in conformity with article 27 of the said convention, acquires the juridical position of a signatory Power in regard to the convention itself, and to the effects of the application of its terms, including paragraph 4 of article 21.

Please accept, &c.
PRUNAS.

May 2, 1938.

[E 4862/707/44] No. 12.

Sir P. Loraine to Viscount Halifax.—(Received August 18.)

(No. 407 E.)
My Lord, *Istanbul, August* 13, 1938.

I HAVE the honour, with reference to the despatch No. 803 E. of the 2nd August addressed to your Lordship by His Majesty's Ambassador at Berlin, to transmit herewith the text of a declaration respecting the new Turco-German economic agreements which was made to the Anatolian Agency by the Minister of National Economy.

2. In his remarks relating to the new commercial agreement, of which copies are enclosed in my immediately following confidential despatch, M. Sakir Kesebir adverts, as does the writer in the *Frankfurter Zeitung* quoted in the enclosure to Sir Nevile Henderson's despatch under reference, to the liquidation in the course of the last year of the sums blocked in Germany on Turkish account and to the abolition in virtue of the new agreement of the quotas imposed on Turkish exports to Germany by the commercial agreement of the 30th August, 1937.

3. The quotas instituted last year as an emergency measure to remedy the disequilibrium in Turco-German trade exchanges have served their purpose. The amount blocked in Germany in favour of Turkish exporters in July 1937 was about £T. 32 million, whereas this year there was a sum of £T. 6 million blocked in Turkey at the same period. It is suggested locally that the whole of this difference—£T. 38 million—could be used to increase Turkish exports to Germany, in which case exports to Germany would amount to £T. 73 million in the coming season. The calculation in the *Frankfurter Zeitung* article quoted in the enclosure in Sir Nevile Henderson's despatch under reference is "50 per cent. of Turkish trade," which is approximately the same thing.

4. These hopes may be, and probably are, exaggerated, but they have had the effect of giving confidence to Turkish produce exporters so that prices have risen and the various markets have an optimistic tone. During the past exporting season the prices of many Turkish exports were comparatively low, and the action of the German price control helped to keep them down, if not actually to depress them still further. The effect of this, together with the restrictions which were then in force on exports to Germany, was to place a larger volume of exports than usual at the disposal of markets other than Germany. The increased imports into the United Kingdom during the early months of the season reflected this clearly. Now, if the anticipated increase in exports to Germany is realised in the current season, the amount available for other markets will be substantially reduced as compared with the past year, and prices will probably rise to a level which would in any case check shipments to free markets such as the United Kingdom. The only circumstance which might prevent this would be a bumper harvest of all produce. A second effect of this process will be to raise the premium on [illegible] (in the United Kingdom) to enable better prices

obtainable elsewhere for the produce which may be used for compensation. The premium has already risen from 30 to 40 per cent. since the Supplementary Trade and Clearing Agreement came into force.

5. If both of these effects are felt, it appears that the measures taken in the supplementary agreement to reduce outstanding arrears in the Anglo-Turkish Clearing must lose considerably in effectiveness.

6. As regards United Kingdom export trade in general, the position would appear to be as follows: Imports through the clearing from the United Kingdom into Turkey are restricted by the supplementary agreement to a minimum. The development of compensation trade has already been checked by the rise in the compensation premium; and a further rise will accelerate the process, for United Kingdom exporters are being placed at an increasing disadvantage compared with their principal competitors. Thus, they are losing markets in which they have hitherto enjoyed a favourable position, or which they were beginning to exploit.

7. I am sending copies of this despatch to His Majesty's Ambassador, Berlin, and to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

[E 4971/69/44] No. 13.

Sir P. Loraine to Viscount Halifax.—(Received August 24.)

(No. 421.)
My Lord, *Istanbul, August* 18, 1938.

I HAVE the honour, with reference to Mr. Morgan's despatch No. 325 of the 1st July, to transmit to your Lordship herewith a translation of the Amnesty Law (No. 3527), which was published in the *Official Gazette* of the 16th July. This enactment follows the lines indicated in Mr. Morgan's despatch under reference.

2. There appears at first sight to be a contradiction between the last paragraph of article 2, which lays down that the consequences arising from the application of Law No. 1064 shall remain in force, and article 6, which abrogates that law. I enclose, for convenience of reference, a copy of Law No. 1064, which was directed against the 150 persons referred to in the Lausanne peace settlement. I am, however, advised that the intention of the last paragraph of article 2 of the present law is to prevent persons amnestied under it from claiming the reversal of decisions taken under Law No. 1064, whereby they had been, for instance, deprived of their rights of inheritance.

I have, &c.
PERCY LORAINE.

Enclosure 1 in No. 13.

Loi d'Amnistie No. 3527 *du* 7 *Juillet* 1938, *votée le* 29 *Juin* 1938.

(*Gazette officielle*, No. 3061, du 16 juillet 1938.)

(Traduction.)

ARTICLE 1er. Ceux qui ont été condamnés par décision des Tribunaux de l'Indépendance sont amnistiés.

Cette amnistie embrasse toutes les conséquences et effets juridiques et accessoires des pénalités exécutées et non-exécutées.

Art. 2. Les personnes dont les noms sont énumérés dans la liste de 150 personnes mentionnée dans la déclaration et le protocole d'amnistie signée le 24 juillet 1923 à Lausanne, sont amnistiées.

Toutefois, il ne sera pas alloué de pension de retraite à ces personnes pour leurs fonctions antérieures, et elles ne pourront être engagées et employées, pendant la durée de huit ans à partir de l'entrée en vigueur de la loi, à des emplois considérés comme services publics par l'article 20 du Code pénal turc et en vertu d'autres lois.

Toutes les conséquences juridiques et les opérations découlant, avant la mise en vigueur de la présente loi, des dispositions de la Loi No. 1064 restent en vigueur.

Art. 3. Sont annulées les décisions concernant les personnes dans le cas desquelles les commissions spéciales formées en vertu des Lois No. 347 et No. 854 des 25 septembre 1339 (1923) et 26 mai 1926 ont décidé qu'elles ne seront plus employées au service de l'État, ainsi que les décisions prises par la Haute-Commission de Décision instituée par la Loi No. 1289 du 24 mai 1928 et par la Section civile du Conseil d'État en vertu de l'article 12 de la Loi No. 2330 du 26 octobre 1933, et confirmant après examen les décisions précédentes.

Toutefois, ceux pour lesquels les décisions prises à leur égard ont été ainsi annulées ne peuvent être employés comme fonctionnaires appointés, avant un délai de deux ans après la mise en vigueur de la présente loi.

Art. 4. L'amnistie et l'annulation des décisions susmentionnées n'embrassent pas les opérations disciplinaires prises ou à prendre en vertu des lois des juges et des fonctionnaires à l'encontre de ceux qui profitent des dispositions des articles 1er et 3, et en vertu des lois annexes et des autres lois particulières; elles n'embrassent pas non plus les pénalités d'expulsion de la carrière militaire et les décisions concernant leur radiation de l'armée.

Art. 5. Les personnes qui profitent des dispositions d'amnistie et d'annulation stipulées dans les articles 1er et 2 peuvent être déchues du droit de nationalité en cas de besoin par décision du Conseil des Ministres.

Art. 6. La Loi No. 1064 du 28 mai 1927 est abrogée.

Art. 7. Cette loi entre en vigueur à partir de la date de sa publication.

Art. 8. Le Conseil des Ministres est chargé de l'exécution de la présente loi.

Enclosure 2 in No. 13.

Loi No. 1064 du 28 Mai 1927, relative à la Déchéance de la Nationalité turque des Individus portés sur la Liste de 150 Personnes dont il est question dans la Déclaration et le Protocole d'Amnistie générale dressés à Lausanne

(*Journal officiel*, No. 608, du 15 juin 1927.)

ARTICLE 1er. Les individus dont les noms figurent sur la liste de 150 personnes dont il est question dans la déclaration et le protocole d'amnistie générale, du 24 juillet 1923, dressés à Lausanne, sont déchus de la nationalité turque.

Art. 2. Les susdits individus sont privés dorénavant de tout droit de propriété et d'héritage en Turquie.

Art. 3. La présente loi entre en vigueur à partir de la date de sa publication.

Art. 4. Le Conseil des Ministres est chargé de l'exécution de la présente loi.

[E 5133/797/44] No. 14.

Sir P. Loraine to Viscount Halifax.—(Received September 1.)

(No. 428 E.)

My Lord, *Istanbul, August 23, 1938.*

I HAVE the honour, with reference to my despatch No. 408 E., Confidential, of the 13th August, with which were transmitted texts of the recently signed Commercial Agreement and Protocol between Turkey and Germany, to inform your Lordship that the weekly *Information Bulletin* of the Türkofis, dated the 15th August, has published a summary of this agreement and protocol and of the payments agreement which was signed at the same time, but of which no text has yet been made public.

2. The points from the payments agreement contained in this summary are as follows:—

(*a*) Payments for goods imported from either country into the other will be made into Clearing Accounts "A" which will be opened in the national banks of the two contracting parties. These payments will release the debtors from their obligations towards their creditors.

(*b*) Payments to creditors in either country will be made in chronological order of deposit, and according to the funds available in the clearing accounts.

(*c*) The 100 : 70 ratio between Turkish exports to Germany and imports from Germany will be maintained as hitherto.

(*d*) The provisions of the payments agreement are only intended to apply to imports destined for internal consumption, and will not, therefore, affect goods passing in transit.

3. Your Lordship will recall that in his announcement to the press, a copy of which was enclosed in my despatch under reference, the Minister of National Economy stated that the new payments agreement would replace the clearing agreement concluded between the Central Bank of Turkey and the Reichsbank in 1935. (Please see my despatch No. 139 E. of the 18th March, 1936.)

4. I am sending copies of this despatch to His Majesty's Ambassador at Berlin and to the Department of Overseas Trade.

I have, &c.

PERCY LORAINE.

[E 5856/373/44] No. 15.

Mr. Morgan to Viscount Halifax.—(Received September 15.)

(No. 452 E.)

My Lord, *Istanbul, September 7, 1938.*

I HAVE the honour, with reference to Sir Percy Loraine's despatch No. 203 E. of the 31st May last, regarding Turkish trade during the first quarter of the current year, to transmit to your Lordship the accompanying tables showing the movement of trade during the quarter ended the 30th June. Tables I and II cover imports and exports respectively by principal countries, while Tables III and IV deal with the principal items of import and export trade.(1)

2. The figures of total trade in the second quarter of 1938 compare as follows with those for the same period of 1937 :—

		1937.	*1938.*
Imports	£T.	27,117,354	42,154,910
	Kilog.	151,823,377	200,372,774
Exports	£T.	18,256,533	22,689,823
	Kilog.	200,040,798	268,729,019
Excess of imports	£T.	8,860,821	19,465,096

3. The above figures show that the average cost per ton of Turkey's imports rose from £T. 178·6 in the June quarter 1937 to £T. 210·4 in 1938, while the average yield per ton of her exports fell from £T. 91·3 in 1937 (June quarter) to £T. 84·4 in 1938. Over the half-year a similar movement is observable, but for the longer period neither the increase in the cost of imports nor the fall in the yield of exports is so great as for the quarter under review.

4. The unfavourable movement of the balance of visible trade which had begun in the first quarter of the current year was continued and accentuated in the second. This adverse movement is a normal feature of the second quarter and

does not usually call for remark. This year, however, it has been very pronounced, with the result that at the end of the half-year the balance against Turkey amounted to £T. 20,271,394, as compared with a favourable balance of £T. 6,900,453 at the same date in 1937.

5. Trade with the United Kingdom follows the general trend of Turkish trade in the June quarter, but in an exaggerated manner. Exports to the United Kingdom have declined not only by comparison with the March quarter of this year (which is natural), but also by over 41 per cent. as compared with the June quarter 1937. On the half-year, exports to the United Kingdom amount to some third of the total exports to the United Kingdom in 1936 and less than the average quarterly exports to the United Kingdom last year. This decline has not been due so much to a loss of ground in any particular item as to a general slacking off; the articles in which the loss had been greatest are mohair, sultanas, figs, vegetable oils for use in industry, and acorns. Exports to the United Kingdom of hazelnuts and almonds, on the other hand, increased.

6. On the other side of the scale, imports from the United Kingdom have increased by £T. 2½ million (about 82 per cent.) as compared with the first quarter of the year and by £T. 4,300,000 (or 300 per cent.) in comparison with the second quarter of 1937. Imports from the United Kingdom in the first six months of the year have already exceeded by nearly 25 per cent. the total imports from the United Kingdom in the year 1937. The principal articles in which we have gained ground are heavy iron and steel manufactures, "plain iron and steel," iron safes, screws, nuts and bolts, rivets, cast-iron tubes over 6 mm. in thickness, steel and iron tanks, containers and buoys, electric motors, petrol-driven motors, electrodes, sewing machines, and pumps and "other machinery." The United Kingdom also supplied increased quantities of woollen tissues, combed merino and cheviot wool, and grey cotton singles yarns.

7. As regards trade with other countries, the increase in imports has been widely spread, as in the first quarter of the year, the principal gainers (besides the United Kingdom) being Germany and Czechoslovakia. As in the first quarter, Italy continues to lose ground, no doubt owing to the quotas on her imports into Turkey; Soviet Russia also has fallen from third to seventh place in importance as a supplier. The increases which have occurred have in the main taken place in spite of increasing payments difficulties, and in the case of the United States of America despite an almost total cessation of payments on Turkey's part from the 15th May last.

8. Table No. III shows that the greatest increases in imports occurred in machinery and iron and steel manufactures, and in both cases the lion's share fell to German suppliers. The items where Germany made the most progress were machinery, iron and steel, small motor-cars, bicycles and motor cycles, railway coaches and trucks, woollen tissues and woollen yarns made up for retail sale.

9. In machinery and iron and steel certain other countries contributed to the increased imports, notably Soviet Russia for pig-iron, the United States of America and Belgium for "plain iron and steel," the United States of America also for steel furniture, calculating machines and hand-tools, and France for cast-iron pipes less than 6 mm. thick. The United States of America supplied almost the whole increase in motor vehicles and a large part of the increase in imports of mineral oils.

10. Increased imports of cotton yarns came from many countries, but India supplied the largest individual share in counts up to 24's grey singles. Over 24's were supplied by the United States of America, with Palestine in second place. Doubled grey yarns were supplied by the United States of America and India. Imports of woollen yarns decreased, but Belgium shares with the United Kingdom the increased supplies of combed wool.

11. The great increase in imports of sugar came almost entirely from Czechoslovakia, though Belgium and the Netherlands had some share in it. The remaining import, which grew substantially, namely, paper and paper-making materials, was derived from Germany (packing paper), Italy (paper waste, cigarette papers, and coloured and glazed papers), and Norway (writing and printing paper).

12. As regards exports, Germany, Italy and Czechoslovakia have taken substantially larger quantities than in the second quarter of 1937, while Greece and Switzerland have also increased their purchases. Exports to Belgium, the U.S.S.R. and the Netherlands have fallen.

13. The principal articles of which exports have increased are:—

(i) *Tobacco.*—Increased shipments have been made to Germany, Italy and Czechoslovakia; exports to the United States of America, on the other hand, have decreased.

(ii) *Fruits.*—Larger purchases of raisins have been effected by Germany and Italy, of figs by Czechoslovakia and the U.S.S.R., and of hazelnuts by the United Kingdom.

(iii) *Raw Cotton.*—Italy has bought extensively, taking the place of Germany, who has almost disappeared from the market, and in a lesser degree Japan and Roumania.

14. Exports of cereals and pulse increased in the second quarter of the year as a result of large purchases by Italy; but on the half-year they are lower than in 1937. Exports of wool and mohair have declined heavily, since the principal customers, Germany and the U.S.S.R., have shown no interest. On the other hand, Italy has entered this market as a substantial buyer. Among the smaller items of export there have been increases in exports of chrome and manganese ore and also dry-cured sheep and goat-skins, again as a result of Italian activity.

15. I am sending copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

[E 5363/60/44] No. 16.

Sir P. Loraine to Viscount Halifax.—(Received September 15.)

(No. 450.)

HIS Majesty's representative at Istanbul presents his compliments to His Majesty's Secretary of State for Foreign Affairs, and, with reference to embassy telegram No. 9, Saving, of the 5th August, has the honour to transmit herewith a copy of a despatch from the military attaché of the 5th September respecting the repression of Kurds in the Tunçeli region.

Istanbul, September 9, 1938.

Enclosure in No. 16.

Lieutenant-Colonel Ross to Mr. Morgan.

Istanbul, September 5, 1938

Sir,

I HAVE the honour to inform you that during the visit of the service attachés to Elazig on the 31st August, a short address on the Tunçeli region was given by General Aptullah Alpdogan. As you are aware, this experienced officer has for about two years combined the functions of civil and military governor of this region with headquarters at Elazig, and has been largely responsible for the pacification measures taken there. This address and certain further information on the Tunçeli region are summarised below.

General Aptullah Alpdogan remarked that the Tigris and the Euphrates both had their sources in this region, which was therefore of some importance. The configuration of the region was such that in the past the migratory flow of population had come from the east. The Turks themselves having come from Asia, they and the inhabitants of Tunçeli were of the same stock. This by no means plausible theory is, of course, a convenient peg on which the Turks may hang the policy of nationalisation.

As reported in my despatch dated the 5th September, 1938, the second phase of the military exercises held this year was devoted to the crushing of any lingering signs of rebellion among the Kurds in the Tunçeli region, a task which was not completed last year. Three army corps, certain additional troops and some forty aircraft were employed. Maps and photographs shown to the attachés indicate how mountainous is the region and how difficult a task its pacification

Resistance was offered by certain remaining rebel leaders, bloodshed probably occurred on both sides and Turkish wounded were reported as having been seen in Elaziğ during August.

Turkish action has, I believe, resulted in a fair measure of success. There may have been a number of deaths; certain Kurdish chiefs and possibly a small portion of the inhabitant Kurds have been transported elsewhere in Turkey and a quantity of arms (12,000 pieces, according to the press) have been confiscated. The remainder of the population has been left under the supervision of local garrisons for whom barracks are now being constructed at focal points. In addition, a new mountain brigade of two mountain infantry regiments and some artillery has been formed and stationed at the source of the Mansur (or Murat) River.

The complete pacification of the Tunçeli region must, however, depend on the progress of the measures which the Turkish authorities are undertaking, and I do not entirely rule out the possibility of further minor troubles there. The Turks are now engaged on a £T. 3 million programme of construction. Two main arterial roads are now under construction, both connecting Erzincan with Elaziğ. One runs through the western part of Tunçeli and one through the eastern part. Both these roads will be laterally connected at various points and will form a network over the whole area. The system will, it is hoped, be completed in two to three years. Hitherto, 420 kilom. have been built, together with nine bridges of a total length of 684 metres. According to the press, nine barracks, eight military posts, five administrative office buildings and ninety-two houses for officials have already been constructed in the area. The telephone system has also had 5,050 kilom. added to it.

Marshal Fevzi Çakmak told me that it is planned to dam the Mansur (or Murat) River at its source, thus forming an artificial lake in pleasant scenery and presumably providing water power. According to the deputy chief of the General Staff and other Turkish officers, it is hoped eventually to make the Tunçeli region into a "second Switzerland," as it is extremely beautiful. It appears to me, however, that its inaccessibility and the difficulties which visitors experience while travelling in Turkey will be considerable obstacles to the realisation of this dream.

I have, &c.
A. ROSS,
Military Attaché.

[C 9928/5302/18] No. 17.

Mr. Morgan to Viscount Halifax.—(Received September 16.)

(No. 463.)
My Lord, *Istanbul, September 10, 1938.*

DURING an interview with the Turkish Minister for Foreign Affairs, shortly before his departure for Geneva, Dr. Aras told me that Turkey's attitude towards Germany was governed by the fact that Turkey did not wish to see Germany at the Black Sea or in the Ægean or, broadly, in the Mediterranean. During the Great War, Turkey, he said, was Germany's ally. Despite this fact, Turkey had done her utmost then to prevent Germany establishing herself on the Black Sea or Ægean. Turkey was no longer Germany's ally; she was merely Germany's friend, and her determination to resist Germany's "Drang nach Osten" was greater than ever. In this resolve Turkey had the Balkan nations with her, and Turkey and these nations would draw more closely together if Germany went beyond a solution, satisfactory to Germany, of the question of the Sudeten Deutsch (a solution which, by pacific pressure, Germany would sooner or later attain) and absorbed, or tried to absorb, the Czechs. Such a move, incidentally, would rouse latent Italian suspicions of Germany and drive the two countries gradually apart.

2. Speaking of the general state of Europe, Dr. Aras, while expressing the opinion that the question of the Sudeten Deutsch would be settled pacifically, stated that he had told the French Ambassador that it was in France's interest that Great Britain should remain neutral if war broke out between France and

Germany over Czechoslovakia. The neutrality of Great Britain would ensure the neutrality of Italy which Germany, on her side, would favour in order to secure British neutrality. Dr. Aras was confident that France and Russia alone would ultimately gain the victory over Germany and a neutral England would ensure ample supplies to enable France to carry on the struggle. The entry of Great Britain into war would no doubt ensure an earlier German defeat, but in that case the only victor of the war would be Italy, who, Dr. Aras thought, would remain neutral whether Great Britain participated in the war or not.

I have, &c.
JAMES MORGAN.

[E 9757/91/44] No. 18.

Sir P. Loraine to Viscount Halifax.—(Received October 3.)

(No. 79.)
(Telegraphic.) *Istanbul, October 2, 1938.*

YOUR telegram No. 118 to me and your telegram No. 144 to Athens.

Turkish Minister for Foreign Affairs only returned to-day from Geneva and Belgrade, and I handed to him this afternoon your personal letter of 26th September. He was most grateful for your attention, in full accord with your views, and added that your message came at exactly the right moment.

He is anxious to acquaint General Metaxas, for his personal and confidential knowledge only and at earliest possible moment, with French proposal and with reply which he has communicated through Turkish Ambassador in Paris, and to add a promise that if and when proposal takes definite form he will immediately enter into consultation with the Hellenic Government.

I begged him to await your concurrence in this course and have persuaded him to do so. He will be leaving Angora to-morrow, 3rd October, at 6 P.M. I beg you to let me know before that hour whether you agree to him making this informative communication to General Metaxas. I myself can see no objection; and he feels this much is owing to his Greek ally.

Please see my immediately following telegram.

(Repeated to Athens.)

[E 9758/91/44] No. 19.

Sir P. Loraine to Viscount Halifax.—(Received October 3.)

(No. 80. Confidential.)
(Telegraphic.) *Istanbul, October 2, 1938.*

MY immediately preceding telegram.

Following is the position as regards the French proposals for the Franco-Turkish alliance:—

Turkish Cabinet approved formula of reply to the French Government outlined in my minute of 31st August.

Turkish Ambassador in Paris could not get an appointment with M. Bonnet until the 23rd September and then communicated Turkish reply to him, adding that Turkey's only obligations were those accepted in the latest Turko-Greek treaty. M. Bonnet expressed definite gratification at Turkish reply, and greatly appreciated its loyal sincerity at a moment of great anxiety and depression. He found it satisfactory in principle, and requested Turkish Ambassador to discuss the matter with M. Massigli (who would meanwhile study Turkish reply and Turkey's obligations to Greece) and give any explanations that might be desired. Before doing so, the Turkish Ambassador went to Geneva to see Dr. Aras on 25th September, returned to Paris 27th September, and saw M. Massigli on 28th September. He then reported M. Massigli had suggested that discussions as regards form and substance could be begun "with cognisance of His Majesty's Government."

PUBLIC RECORD OFFICE, LONDON

Dr. Aras instructed Turkish Ambassador to do nothing more until he himself had returned to Turkey and consulted his Cabinet. Having spoken to-day with President of the Republic and Turkish Prime Minister, he will now reply that there must be some misunderstanding, since, from Turkish point of view, the participation of His Majesty's Government in combination is a *sine qua non* condition of any progress or discussion in matter and will suggest French Government and Turkish Government should each separately endeavour to ascertain your attitude towards the proposal.

I told Dr. Aras that you had given me no indication of your eventual attitude towards this proposal, and reminded him that you had not, indeed, been able to study it very attentively during the days of the crisis. But speaking in my personal capacity only, I begged him to reflect that the consummation of issue of the crisis and Mr. Chamberlain's and Herr Hitler's declaration might very well render the suggestion of anything that Germany might regard as a provocation, even less desirable than it might have appeared at an earlier moment. His Excellency fully appreciated the force of this consideration.

[C 11504/5302/18] No. 20.

Sir P. Loraine to Viscount Halifax.—(Received October 4.)

(No. 82. Confidential.)
(Telegraphic.) *Istanbul, October 3, 1938.*

I WAS able to have some conversation yesterday with the Turkish Minister for Foreign Affairs about recent crisis and its solution at Munich.

I am happy to tell you, in the first place, that the Turkish Government are more than ever confirmed in their attitude of friendship towards, faith in, and close and loyal collaboration with His Majesty's Government.

Dr. Aras, and he tells me that his views are shared by Ataturk and Celal Bayar, has the deepest admiration for the Prime Minister's courageous action and his unflinching and successful efforts not merely to avoid war but also to build a real peace. In his opinion, the United Kingdom has emerged really victorious from the crisis; for the Prime Minister's action has not merely made British will to peace prevail, but has preserved both Germany and France from probable disaster, and has saved Signor Mussolini by offering him the rôle of peacemaker and opportunity of steering away an unpopular war which the mass of Italians shrunk from and dreaded. He is, moreover, impressed with profound wisdom and skill with which the Prime Minister found means to associate the three other great Western Powers with his work of peace, and has ended what was in essence a trial of strength and will between England and Germany, not merely without arousing antagonism between the two countries, but actually by creating a far better feeling and clearer understanding between them. In his Excellency's opinion hope of peace in Europe depends on some real Anglo-German understanding, and to that the Prime Minister has opened the road.

But for the Prime Minister's handling and had there been left in any quarter a sense of defeat or discomfiture, Dr. Aras reiterated, for his own part, that Herr Hitler would barely have given Europe a respite till the spring of 1939. He now looks forward to a "peace *entr'acte*" of two or three years which may be possible to turn to good account in direction of consolidating peace; but about this he cannot yet be optimistic.

He expects that Italy will now see whether England will make it worth her while, by means of a loan, to renounce another winter campaign in Spain which, anyway, Italy does not want; and he thinks that Germany *may* show an inclination to connect her colonial ambitions with British financial assistance.

He strongly criticises Poland and attributes her peremptory action *vis-à-vis* Czechoslovakia mainly to an outburst of temper at not being included in invitation to Munich, which is likely to recoil on her own head.

[R 8016/7671/67] No. 21.

Sir P. Loraine to Viscount Halifax.—(Received October 6.)

(No. 159.)
(Telegraphic.) *Angora, October 5, 1938.*

MY telegram No. 79 from Istanbul.

When the Turkish Minister for Foreign Affairs reached Angora yesterday, he was immediately tackled by Greek Minister in the sense of paragraph 1 of Sir S. Waterlow's telegram No. 175.

Dr. Aras acquainted him with sense of first paragraph of your personal message of 26th September, adding that you had been glad to learn his opinion that the Greek Government should be consulted at an early stage, and fully shared it. Dr. Aras had already formed the opinion (which I had reached myself on reading Athens telegram) that General Metaxas had read rather more in your personal message to him than it was presumably intended to convey; and he therefore expressed the opinion to Greek Minister that your messages to General Metaxas and himself had not been directly occasioned by recent crisis over Czechoslovakia, but were rather the development of established British policy of friendship which Turkey and Greece had every reason to welcome.

He went on to suggest that the line of the reply which should be sent should be to set forth what were the existing obligations of Greece and Turkey, all of which were public property, viz.: Balkan *Entente* Agreement, latest Turco-Greek Treaty, and Turkey's treaties of neutrality with Italy and Russia, and so add within the framework of these obligations the two Governments would respectively be very willing to discuss engagements to be gone into with United Kingdom of any substance and in any form which His Majesty's Government might wish to propose as acceptable to themselves.

Please see my immediately following telegram.

(Repeated to Athens.)

[R 8017/7671/67] No. 22.

Sir P. Loraine to Viscount Halifax.—(Received October 6.)

(No. 160. Most Confidential.)
(Telegraphic.) *Angora, October 5, 1938.*

MY immediately preceding telegram and also your unnumbered telegram of 3rd October.

Turkish Minister for Foreign Affairs has communicated with General Metaxas in the sense indicated in my telegram No. 79, paragraph 2. The Greek Minister in Angora has not been entrusted with communication or informed of it. Only General Metaxas and M. Mavrondis will be cognisant of the communication. Dr. Aras feels able to rely confidently on complete discretion of them both. General Metaxas has been requested to keep the communication confidential *vis-à-vis* the Greeks.

(Repeated to Athens.)

[E 5988/82/44] No. 23.

Mr. Morgan to Viscount Halifax.—(Received October 13.)

(No. 489 E.)
Istanbul, September 28, 1938.

My Lord,

WITH reference to Sir Percy Lorraine's despatch No. 343 E. of the 18th July last, under cover of which the final figures for the 1936-37 Turkish budget were transmitted to your Lordship, I have the honour to enclose herewith the provisional budget returns for the fiscal year 1937-38.(1)

2. Ordinary receipts have exceeded the estimates by some 30 million Turkish liras and the ordinary receipts for the year 1936-37 by some 24·5 million

(1) Not printed.

Turkish liras. The total receipts are shown as 323·6 million against 271 million liras for the preceding year, an increase of 52·6 million liras. Customs receipts and the transaction tax show the largest individual increases with 5·7 million and 4·4 million liras respectively. The net profits of the State monopolies, 37·4 million liras, are included in the total of ordinary receipts amounting to 260·8 million liras.

3. Expenditure is shown as 295·3 million against 260·2 million liras during the preceding year, an increase of 35·1 million liras, and was divided amongst the various Ministries as follows:—

	Million £T.
National Defence	82·4
Public Debt	50·0
Public Works	32·2
National Economy	14·3
Health and Social Assistance	18·8
Education	19·0
Agriculture	9·8
Police	16·5
Other Departments	63·8

It will be observed that the expenditure on national defence, £T. 824, million, public debt (including pensions), £T. 50 million, and public works, £T. 32·2 million, accounted for 56 per cent. of the total expenditure, national defence alone accounting for 28 per cent.

4. The State monopolies show an increased profit of £T. 2·2 million over the preceding year, the respective totals being £T. 37·4 and £T. 35·2 million. Greater profits were made under all headings during 1937–38 except the sale of powder, on which a decrease of £T. 0·15 million was recorded. Over the last five years the profits of the monopolies have increased by 22 per cent., *i.e.*, £T. 37·4 million during 1937–38 against £T. 30·6 million during 1933–34. The decrease in the price of salt, 3 piastres per kilogramme against 6 piastres, has led to a greatly increased consumption of this commodity. Whereas in 1933–34 sales amounted to 137,000 tons, this figure has increased to 295·5 thousand tons by 1937–38.

5. Railway receipts also show a large increase over the preceding year, £T. 35·5 million against £T. 31·2 million, an increase of 5·3 million. These figures include the receipts from the various ports under the control of the railway administration, such as Haydar Paşa and Derince. The figures of railway expenditure are not yet available.

6. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

[E 5959/82/44] No. 24.

Mr. Morgan to Viscount Halifax.—(Received October 13.)

(No. 491 E.)
My Lord, *Istanbul, September 28, 1938.*

IN his confidential despatch No. 749 E. of the 18th December, 1937, Sir Percy Loraine had the honour to transmit to your Lordship's predecessor a translation of a memorandum prepared by the present President of the Council of Ministers containing proposals for a second Five Years' Plan of Industrial Development in so far as it concerned mining, together with a draft Three Years' Plan for Mineral Research; and it was stated that according to an announcement issued by the Agence Anatolie, the Council of Ministers have approved the Three Years' Plan.

2. On the 18th September the Agence Anatolie published the text of a statement by M. Celal Bayar, of which I have the honour to enclose a copy herein,(1) which outlines proposals for a new Four Years' Plan of Industrial

Development, which M. Bayar refers to as Plan No. 3. The first Turkish Five Years' Plan, which was put into execution in 1934 (please see paragraph 59 of Colonel Woods's Annual Report, Economic (A), forwarded under cover of Sir Percy Loraine's despatch No. 205 E. of the 27th April), is now nearing completion. It is to be supposed that this is regarded by the Turkish Government as Plan No. 1, whereas the Three Years' Plan for Mineral Research is, I assume, Plan No. 2. It would seem, therefore, that the original proposals for a second Five Years' Plan have been modified, and that the new Four Years' Plan represents, in its widened scope and accelerated rhythm, the effect on Turkish industrial development of the credits granted by His Majesty's Government in the United Kingdom under the Anglo-Turkish Guarantee Agreement of the 27th May last.

3. The commercial secretary of His Majesty's Embassy observes that there is little in M. Bayar's programme which has not been foreseen, but points out that the Turkish Government still hope to find oil deposits in the country, and that only when that hope is abandoned will they proceed with the full development of the synthetic petrol installation which will be built at Kütahya.

4. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

[E 6004/797/44] No. 25.

Sir P. Loraine to Viscount Halifax.—(Received October 15.)

(No. 509 E.)
My Lord, *Istanbul, October 10, 1938.*

I HAVE the honour, with reference to the telegram No. 443, Saving, of the 19th September addressed to your Lordship by His Majesty's Ambassador at Berlin, to inform you that the German Minister of Economy arrived in Angora on the morning of the 6th October. He was accompanied by Mme. Funk, by two advisers and by the Turkish Ambassador at Berlin.

2. In the morning Dr. Funk exchanged visits with the Turkish Prime Minister and with the Ministers for Foreign Affairs and National Economy. In the evening he was entertained at a banquet by M. Sakir Kesebir, in the course of which he replied to a brief but cordial speech of welcome by the minister. After expressing his thanks for the manner in which he had been received as well as the pleasure which it gave him to visit Turkey, he affirmed the determination of the German Government to enlarge still further the commercial relations between the two countries. He pointed out that, in spite of the disturbance of international trade in general, Turco-German co-operation in the economic sphere had resulted in a steady increase of commercial exchanges. The volume of trade between the two countries had been tripled since 1933, and it appeared likely that it would amount in the current year to the impressive figure of 250 million marks. This satisfactory development must be attributed in part to the fact that the catallactic structures of the two countries were complementary and in part also to the will of the two Governments to foster trade between them. The readiness of the German Government to open their market to Turkish products had been proved by their action in removing all quantitative restrictions on imports from Turkey as a result of the recent trade negotiations in Berlin. Similarly, the increasing volume of German exports to Turkey was a sign of the determination of the Turkish Government to buy from those who bought from them, and was also proof of the fact that the products of German industry were suited to the needs of Turkey. Dr. Funk concluded that, while it was the aim of the German Government to intensify their co-operation with other nations in the economic field, they did not aim at the elimination of healthy competition since they were far from wishing that economic ties should develop into possible causes of political conflict. The banquet was followed by a reception, at which the diplomatic corps were present.

3. On the evening of the 7th October the German Ambassador gave a banquet in honour of Dr. Funk, at which no speeches were made. This banquet,

too, was followed by a reception, towards the close of which an agreed communiqué was issued for publication. The communiqué records that, arising out of negotiations conducted in Angora by Dr. Funk, an agreement had been reached in principle whereby Germany would extend to Turkey a credit of 150 million reichsmarks, the sum to be spent on industrial or military orders or others. A copy of the French version of the communiqué is transmitted herewith for your Lordship's information.

4. On the 8th October Dr. and Mme. Funk were entertained by the Prime Minister at luncheon at the model farm, Orman Ciftligi, at which the majority of the members of the Cabinet were present. This occasion was marred by an accident to a horse-drawn vehicle in which the ladies of the party were touring the farm. I understand that the horses took fright at the approach of a motor car and that the waggon was overturned. The principal casualty was Mme. Funk, who received an injury to the shoulder, which involved the postponement of the party's departure from Angora, due for that evening.

5. Dr. and Mme. Funk accordingly left Angora by special train on the evening of the 9th October.

6. I am sending copies of this despatch to His Majesty's Ambassador, Berlin, and to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

Enclosure in No. 25.

Extract from Agence Anatolie dated October 7, 1938.

Ankara, 7.—A.A. Communiqué officiel :

A la suite des entretiens qui ont eu lieu ces derniers jours entre le Ministre de l'Economie de Turquie et le Ministre de l'Economie du Reich, les bases d'un accord relatif à un crédit de 150 millions de reichsmarks à fournir par l'Allemagne à la Turquie ont été arrêtées. Ce crédit sera employé aux paiements de commandes d'ordre industriel ou militaire ou intéressant les travaux publics et autres.

Les stipulations nécessaires pour l'application de cet accord seront ultérieurement conventées entre les deux Gouvernements.

[R 8331/8126/67] No. 26.

Sir P. Loraine to Viscount Halifax.—(Received October 17.)

(No. 86.)
(Telegraphic.) *Istanbul, October 17, 1938.*

[GROUP undecypherable].

I asked the Turkish Minister for Foreign Affairs whether Balkan *Entente* Council, during its session at Geneva in September, had considered proposed interchange of embassies between Balkan allies, and, if so, with what result.

2. Dr. Aras said that decision had been reached to effect the proposed exchange of embassies, but that when the crisis over Czechoslovakia had become acute, the Yugoslav Government had suggested desirability of postponing the application of this decision, and the Turkish Government had most readily supported this Yugoslav initiative. His Excellency added that, as a matter of courtesy, Bulgarian Government had been informed of decision taken at Geneva.

[E 6129/69/44] No. 27.

Sir P. Loraine to Viscount Halifax.—(Received October 19.)

(No. 177. Confidential.)
(Telegraphic.) *Angora, October 19, 1938.*

MY telegram No. 49 and my telegram No. 18, Saving, both from Istanbul.

I have good grounds for believing that the Turkish Government, in anticipation of the death of the President of the Republic, have made all the

necessary arrangements to assemble Grand National Assembly within twenty-four hours in order that this body may forthwith elect a new President of the Republic. This is the correct constitutional procedure.

I have, furthermore, pretty certain information that there will only be two candidates. I presume that Ismet Inönü will be one of them and think he is likely to be elected.

It appears Marshal Fevzi and Fethi Okyar are constitutionally barred, as neither of them are Deputies.

[E 6276/947/44] No. 28.

Sir P. Loraine to Viscount Halifax.—(Received October 26.)

(No. 524.)
My Lord, *Angora, October 19, 1938.*

I HAVE the honour to inform your Lordship, with reference to the correspondence ending with my telegram No. 87 of the 28th March and your telegram No. 61 of the 2nd April last, that in the course of a recent conversation with the Turkish Minister for Foreign Affairs I found a suitable occasion for enquiring of his Excellency where the matter of the German objections to the Montreux Straits Convention now stood.

2. Dr. Aras was so good as to inform me that he had been able to avoid any exchange of documents such as were suggested in the draft German note shown to him in February by the German Ambassador in Angora, and with the sense of which I acquainted your Lordship's predecessor by my telegram No. 95, most confidential, of the 17th February.

3. The Turkish Government had, however, made positive their assurance to the German Government that Turkey will support the participation of Germany in any eventual conference for the revision of the convention.

4. I presume the position therefore to be, tacitly, that Germany will continue to enjoy the benefits of the convention, so long as she does not infringe its stipulations.

5. I am sending a copy of this despatch to His Majesty's Ambassador in Berlin.

I have, &c.
PERCY LORAINE.

[E 6412/67/44] No. 29.

Sir P. Loraine to Viscount Halifax.—(Received November 1.)

(No. 24. Saving. Confidential.)
(Telegraphic.) *Angora, October 27, 1938.*

FOR the second time since my return from leave Turkish Minister for Foreign Affairs has mentioned possibility that Turkey may apply for an extension of British credits for armaments; and this time conceivably Turkish Government might want to double their order for warships, and also their aircraft strength. Such things they must get from England and not from Germany.

He said that if 1939 and 1940 passed without a general conflagration, what they had ordered already was probably too much. But in the alternative case further sacrifices would not have been made in vain.

When Turkey had been asked at Nyon about her participation in naval patrols, she had had to decline because she had no ships fit for the purpose. If a like occasion arose again and she did have the ships, her answer would entail real responsibilities, and it was much sounder that she should feel their full weight.

[N 6505/312/97] No. 30.

Sir P. Loraine to Viscount Halifax.—(Received November 10.)

(No. 549.)
My Lord, *Angora, November 2, 1938.*

IN my despatch No. 195 of the 6th April, 1937, I drew Mr. Eden's attention to the engagement by the Afghan Government of a number of Turkish specialists. I now have the honour to inform your Lordship that an educational mission, consisting of eight persons, is about to leave Angora for Kabul at the request of the Afghan Government. The mission is led by M. Ismail Hikmet, Inspector-General of Education, who is to take over the direction of the "école normale" at Kabul.

2. I am sending a copy of this despatch to His Majesty's Minister at Kabul.

I have, &c.
PERCY LORAINE.

[E 6622/60/44] No. 31.

Sir P. Loraine to Viscount Halifax.—(Received November 10.)

(No. 553.)
My Lord, *Angora, November 4, 1938.*

I HAVE the honour to inform your Lordship that the three-day national celebrations in connexion with the proclamation of the Turkish Republic were inaugurated, on the 28th October, by a speech, in Angora, of the Secretary General of the Popular party and Minister of the Interior, M. Şükrü Kaya.

2. The Minister drew a tragic picture of the position of Turkey at the end of the Great War. It was oppressed by the victors and betrayed by its rulers. He described at length the arbitrary, selfish and unpatriotic administration of the Sultans, a vile régime that some, forsooth, would wish to revive, if they found the opportunity. He compared this régime with the enlightened system of government established by Atatürk. This system, he said, corresponded to the genius of the nation. Its essence was that the people was sovereign and its will supreme. Under this system the Grand National Assembly was the voice of the people; individual and social rights and liberties were assured, and the provisions of the Turkish Constitution were fully applied. One had but to look at the Turkey of to-day to see the positive and beneficial results of the system of government set up by Atatürk. An industrious and free people lived secure within its frontiers, and guiding all and caring for all was the Grand National Assembly.

3. Leading Turks are at pains to explain to foreigners that M. Şükrü Kaya's object in emphasising the sovereignty of the people and the rôle of the Grand National Assembly was to assure the nation that the system of government now prevailing in Turkey would not come to an end with the passing of Atatürk. The President may pass, but the Grand National Assembly, the expression of the people's will, remains and therefore Atatürk's revolution would endure and the republican form of government would continue unimpaired, directed as ever by the people's representatives.

4. I enclose a French translation of M. Şükrü Kaya's speech.(1)

I have, &c.
PERCY LORAINE.

(1) Not printed.

[E 6623/78/44] No. 32.

Sir P. Loraine to Viscount Halifax.—(Received November 10.)

(No. 554.)
My Lord, *Angora, November 4, 1938.*

I HAVE the honour, with reference to my telegram No. 191 of the 1st November, to transmit to you herewith, in original, a despatch from my air attaché respecting the desire of the Turkish General Staff to organise their air force on British lines and with British help. I believe your Lordship will agree in regarding this development as highly encouraging. It can only mean that the Turkish General Staff, doubtless persuaded by the Turkish Government of the political desirability of British assistance in building up an adequate and efficient air force, are now themselves persuaded of its military value; and, I think, that it must be attributed in part, at least, to the position which Group Captain Lee and Squadron-Leader McKeever have made for themselves at the Yildiz College. I beg leave to express the hope that every effort will be made to ensure that the services of the most suitable officers are made available to the Turkish Government.

I have, &c.
PERCY LORAINE.

Enclosure in No. 32.

Wing Commander Elmhirst to Sir P. Loraine.

(No. 5/38.)
Sir, *Ankara, November 1, 1938.*

I HAVE the honour to inform your Excellency that at the personal request of Colonel Şefik, a Turkish air force officer and chief of the Air Bureau of the Turkish General Staff, I visited him at the General Staff on the morning of the 1st November.

2. At this visit he told me that it was now the wish of Marshal Fevzi, Chief of the General Staff, that the training of the Turkish air force should be carried out on the same principles as the Royal Air Force, and that all instructors holding key positions should be British Royal Air Force officers.

3. Colonel Şefik then went on to tell me that they had already gone some way towards this end. At present two Royal Air Force officers were instructing at the Turkish Air Academy (Staff College) at Yildiz and that as a result of their first year's work the marshal, in the past week, had decided to establish the Air Academy as a separate unit at Yildiz, and that in future Turkish air force officers should carry out 50 per cent. of their instruction under the Royal Air Force instructors instead of 20 per cent. as had been the arrangement up till now. It was for this reason they had asked for a third Royal Air Force instructor.

4. The colonel then discussed the situation at the Turkish Flying Training School at Eskisehir. He said that I probably knew they had asked the British Government to supply two instructors, one for air navigation subjects and one for air tactical subjects for this school, and it was now their intention to ask for a third one to instruct in air armament subjects.

5. He went on to say that in order to co-ordinate the instruction at the flying training school with the later work done by selected officers at the Air Academy the marshal had directed that the two Royal Air Force instructors at Yildiz should visit Eskisehir to confer with the commandant of the flying training school. He hoped, he said, that I would attend this conference, and if so, the marshal had expressed the wish that for my journey and stay at Eskisehir I should consider myself as his guest.

6. It was after this that the colonel informed me, as mentioned in the second paragraph of this despatch, that it was the marshal's wish that the Turkish air force should be trained by British officers and on the same lines as the British air force. Colonel Şefik added with a smile, that as I knew the instruction in the Turkish Military and Naval Staff Colleges was in the hands of German officers, but he felt sure after what they had seen of the work of Group Captain Lee

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and Squadron-Leader McKeever that the work of the new Air Academy would be as good, or better.

7. As your Excellency remarked when I discussed this interview with you, a definite change of policy by the Turkish Government with regard to the training of their air force is now established, and I would suggest that all that now remains to consolidate the position is to ensure that the five additional British air force officers now being asked for by the Turkish Government (the fifth is the technical officer required at the Ministry of National Defence) should be sent out as soon as possible and should have a sound knowledge of the work for which they are required. From my knowledge of the Air Ministry I feel sure these two latter provisos will be borne well in mind.

I have, &c.
T. W. ELMHIRST,
Air Attaché.

[E 6623/135/44] No. 33

Sir P. Loraine to Viscount Halifax. —(*Received November* 10.)

(No. 556.)
My Lord, *Angora, November* 1, 1938.

I HAVE the honour to inform your Lordship that the annual opening of the Grand National Assembly took place on the 1st November. The absence of the President of the Republic through illness was responsible for a general air of apathy and lifelessness among the assembled Deputies. The tense and electric atmosphere of the Chamber when, in past years, it waited for Atatürk to appear, and when he delivered his annual speech, was noticeably missing. The Deputies betrayed no interest when the Prime Minister, Celal Bayar, came before them to read the speech of the President of the Republic, and little interest during the speech. Only when a tribute was paid to the army, and when Hatay was mentioned, were the Deputies stirred to applause. Otherwise they remained indifferent and silent, save for a faint sign of life when a reference was made to Turkey's policy in the Balkans.

2. In that part of the speech which dealt with foreign affairs it was stated that the calm which followed the recent severe trial through which peace had passed was but temporary. Turkey ardently desired peace but recognised that it must make the country stronger every day and be always vigilant. In her efforts to preserve peace Turkey had equal recourse to the system of bilateral and to that of general and multilateral agreements. Her Balkan policy eloquently expressed the particular and the collective interests of the Balkan peoples, and, in this connexion, special pleasure was expressed at the conclusion of the agreement signed at Salonica between General Metaxas, in the name of the Balkan *Entente* and M. Kiosseivanoff, Prime Minister of Bulgaria. The Pact of Saadabad was then mentioned, and described as having put the relations of the signatory States on solid and fruitful ground.

3. The speech then dealt at some length with the question of Hatay. The efforts made to settle the problem by means of a friendly Turco-French agreement had been crowned with success, and this friendship had been made manifest by the joint temporary occupation of Hatay by Turkish and French troops. Calm had been restored in the region, elections had taken place, and Hatay had obtained a Parliament and its independence. The new State was now organising a police force in order to ensure, by its own means, internal order. The solution of this difficult problem had imparted to Turco-French relations a very friendly character.

4. Turkey's relations with other States continued friendly. In the economic sphere, Turkey had made a number of agreements, notably the commercial agreement with His Majesty's Government, providing for commercial and armament credits to the amount of £16 million. In addition, an agreement in principle had been reached with the German Minister of Economy involving a credit of 150 million marks. These two agreements testified to the confidence felt in Turkey's financial credit, and inspired by her straightforward foreign policy.

5. The Presidential speech concluded by referring to treaties or conventions made or adhered to by "friendly Egypt which had just recovered its independence;" by "our great neighbour and friend" the U.S.S.R., and by Italy whose "friendly gesture" in adhering to the Convention of Montreux had been acknowledged by Turkey "with equally friendly feelings."

6. I enclose herewith a French translation of that part of the speech of which the foregoing is a summary.(1)

I have, &c.
PERCY LORAINE.

(1) Not printed.

[E 6628/60/44] No. 34.

Sir Percy Loraine to Viscount Halifax. (*Received November* 10.)

(No. 557.)
My Lord, *Angora, November* 4, 1938.

I HAVE the honour, with reference to my despatch No. 556 of to-day's date, summarising the foreign affairs section of the Presidential speech at the opening of the Grand National Assembly, to transmit to your Lordship the accompanying French translation of the remaining portion of the speech.(1)

2. It will be seen that it claimed that the banditry that for many years had been rife in Tunceli had now been definitely eliminated. Reference is then made to the continued success attending the efforts of the Ministry of Health to settle immigrants and refugees. Satisfaction is expressed with the administration of justice and with the good results obtained by more humane and modern methods of treating criminals. Special legislative measures are stated to have been taken to strengthen the stability of the Revolutionary régime, and severe penalties to have been enacted for crimes against the State and the authorities.

3. Economic affairs are described as developing normally, and foreign trade as conducted on the principle of reciprocal interests and concessions. The system of the control and standardisation of exports is being extended; co-operation among producers and exporters has been encouraged, and credit facilities everywhere provided by State or co-operative establishments.

4. The speech goes on to show that the first five-year plan of industrialisation has been successfully carried out; that a three-year mining plan is being put into operation, and that a four-year plan, embracing part of the three-year plan, has been published. This latter plan provides for the extension of the sugar industry, the creation of the machine, chemical and food-stuff industries, as well as of those pertaining to the produce of the soil, and of the sea and to domestic fuels. On the other hand, ports are to be built, means of transport developed and the maritime industry perfected. The estimated expenditure in this respect is 85 to 90 million of Turkish pounds.

5. As regards public works, the number of important bridges now existing in Turkey is stated to reach 115; irrigation works in the plain of Adana are being speeded up; the railway to the east which has now reached Erzincan, is to reach Erzerum in 1939.

6. In the domain of finance, though taxation was reduced, Treasury receipts increased, showing a surplus of 20 million Turkish pounds over budget estimates. This has enabled the Government to devote more money to the needs of National Defence and productive works. The Assembly is to be called on to consider a bill providing for simplification and unification of many of the present taxes.

7. The speech expresses satisfaction at the progress achieved in the field of education and then refers to the defence forces. It explains that the Government is speeding up the work of equipment of the army with armaments and of motorisation, and that a general armaments programme had been drawn

(1) Not printed.

up. As regards the navy, a number of new vessels had already been ordered and other orders would shortly be placed. Existing ships would be improved. The construction of the arsenal at Gölcük would be undertaken this year. The aviation programme was being carefully carried out.

8. The remainder of the speech dealt with foreign affairs.

I have, &c.
PERCY LORAINE.

[E 6598/91/44] No. 35.

Viscount Halifax to Sir P. Loraine (Angora).

(No. 502.)
Sir, *Foreign Office, November 10, 1938.*

WITH reference to your telegram No. 80 of the 2nd October, I have to inform your Excellency that the French Ambassador called on Sir Alexander Cadogan on the 4th November, and gave him certain information in regard to the approach recently made to his Government by the Turkish Government on the subject of a Franco-Turkish Agreement.

2. M. Corbin said that the Turkish Government had indicated in outline their idea of the principles on which such an agreement should be based. These were, firstly, that if one party to the agreement should be at war, the other party should observe an attitude of benevolent neutrality; secondly, that there should be provision for consultation with a view to co-operation in any difficulty; and thirdly, that each party should undertake not to harbour on its territory any individual organisation working to the detriment of the other party. The Turkish Government had indicated that it would be a condition of any such agreement with France that a similar agreement should be made with Great Britain, or that there should be a tripartite agreement.

3. Sir Alexander Cadogan said that he was unaware that the Turkish Government had made any direct or definite approach to His Majesty's Government in the matter, and of course he could not say off-hand what the attitude of His Majesty's Government would be in regard to any such proposal. His Excellency would, however, realise that an agreement of the kind, so far as its intention was understood, would necessarily involve a fresh commitment for this country, and it might therefore present a point of considerable difficulty.

4. Shortly after M. Corbin's visit, a secretary of the French Embassy called at this Department in order to give further details about the proposed agreement. M. Roché said that the Turkish Government had suggested that the agreement between the three countries should be based on the agreements between Greece and Turkey. The particular agreement which they had in mind was the Turco-Greek Treaty of the 27th April, 1938, which extended and confirmed the two previous Turco-Greek agreements of the 30th October, 1930 and the 14th September, 1933, and the text of which was enclosed in Sir Sydney Waterlow's despatch No. 253 of the 4th July.

5. M. Roché was told that His Majesty's Government would carefully study the communication made by the French Government, and let the latter have their views on the whole question as soon as possible.

6. I am sending a copy of this despatch to His Majesty's Minister at Athens.

I am, &c.,
HALIFAX.

[E 6638/69/44] No. 36.

Sir P. Loraine to Viscount Halifax.—(Received November 10.)

(No. 194.)
(Telegraphic.) *Angora, November 10, 1938.*

PRESIDENT of Republic died at about 0 this morning. The King informed.

[E 6667/69/44] No. 37.

Sir P. Loraine to Viscount Halifax.—(Received November 11.)

(No. 197.)
(Telegraphic.) R. *Angora, November 11, 1938*

MY telegram No. 196.

Grand National Assembly this morning elected Ismet Inonü President of the Republic.

Please inform The King.

[E 6708/67/44] No. 38.

Sir P. Loraine to Viscount Halifax.—(Received November 13.)

(No. 207.)
(Telegraphic.) *Angora, November 13, 1938.*

I HAD my first official interview with new Turkish Minister for Foreign Affairs yesterday afternoon. At its close he said that he wished to make a statement to me. It was to the effect that change in Turkish Government involved no change at all in Turkish foreign policy. His Excellency said that we could entirely be assured of this. He added that new Government, indeed, would strive to strengthen Anglo-Turkish friendship and to render it even closer and more efficacious than it already was.

[E 6834/69/44] No. 39.

Sir P. Loraine to Viscount Halifax.—(Received November 18.)

(No. 569.)
My Lord, *Angora, November 10, 1938.*

I HAVE the honour, with reference to my telegrams Nos. 194 and 195 of the 10th November respecting the death of the President of the Republic, to transmit to your Lordship herewith for purposes of record a copy of the bulletin published by the Anatolian Agency and containing the final medical report announcing the demise of M. Kemâl Atatürk,(1) the governmental communiqué and the communiqué issued by the President *ad interim* of the Republic,(2) M. Abdülhalik Renda.

2. As your Lordship will observe, the governmental communiqué pays an eloquent tribute to the late President and expresses the confidence of the Government in the support of the nation in their duty to maintain the existing order. Stating that in accordance with the Constitution the President of the Grand National Assembly will assume *ad interim* the functions of President of the Republic and that, similarly in accordance with the Constitution, the Assembly will proceed without delay to the election of a successor, the communiqué adds that the people, Government and armed forces of Turkey will rally unwaveringly to the support of the man who is chosen.

I have, &c.
PERCY LORAINE.

Enclosure in No. 39.

Communiqué officiel du Gouvernement de la République turque.

LE rapport que viennent de publier les médecins traitants et consultants déclare qu'Atatürk s'est endormi du sommeil éternel.

Par ce douloureux événement la patrie turque vient de perdre son grand édificateur, la nation turque son grand chef, l'humanité un très grand fils. Le cœur saignant, nous présentons à la nation nos condoléances les plus profondes.

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de cette indescriptible perte qu'elle a subie. Nous ne pouvons puiser de consolation que dans nos sentiments d'attachement à la grande œuvre du disparu, et dans notre résolution de continuer à nous consacrer au service de notre chère patrie.

Et nous nous devons de déclarer avant tout que cette grande œuvre immortelle est la Turquie républicaine.

Le Gouvernement, dans ce moment solennel, est à son poste aujourd'hui, conscient de ses devoirs, comme il l'a toujours été. Nul ne saurait douter que la nation turque est solidaire avec son Gouvernement pour la sauvegarde et le maintien de l'ordre existant.

Le Président de la Grande Assemblée nationale, Abdul Halik Renda, a, conformément à l'article 33 de la loi constitutionnelle, assumé l'intérim de la Présidence de la République.

En conformité également de l'article 34 de la loi constitutionnelle, la Grande Assemblée nationale élira sans délai le nouveau Président.

Autour de l'homme qui assumera, en conformité de la Constitution, cette fonction suprême, le peuple turc, avec son Gouvernement et sa glorieuse armée, se ralliera, inébranlable, de toutes ses forces et de toute son âme et continuera sa route vers ses hautes destinées.

Notre grand chef Atatürk, dont nous pleurons aujourd'hui la disparition, a toujours eu confiance dans la nation turque; c'est animé de cette confiance qu'il a réalisé son œuvre, et il l'a, en pleine confiance, après l'avoir consolidée, léguée à notre grande nation. Cette œuvre, la nation turque éternelle, la fera vivre éternellement.

La jeunesse turque conservera intact ce legs précieux qu'est la République turque et dont elle est dépositaire et continuera de marcher sur les traces du grand disparu

Kemâl Atatürk vivra éternellement dans l'histoire des Turcs et dans leurs cœurs.

[E 7003/69/44] No. 40.

Sir P. Loraine to Viscount Halifax. (Received November 23.)

(No. 222.)
(Telegraphic.) *Angora, November* 23, 1938.

(R.) BEFORE leaving Istanbul yesterday evening, Field-Marshal Birdwood telephoned to me with a request to send a preliminary account of his interview with President of Republic.

The field-marshal gave a message with which the King had charged him, and told the President what a great honour he felt it to have been chosen to represent His Majesty on such an occasion. He had crossed swords with Ataturk in Gallipoli, but was in no way astounded to find later on that so gallant an adversary had become so firm a friend.

The President received the field-marshal with most cordial friendliness and affectionate regard. He thanked him for The King's message and noble sentiments he had expressed. One of the reasons for the present firm friendship between the two countries was that English and Turkish conception of honour and chivalry were the same. He rejoiced that The King had selected the field-marshal to represent him, and he recognised the field-marshal's person as the embodiment of those two great qualities; and the day it had been his privilege to receive the field-marshal and to hold his hand in friendship would remain one of the proudest of his life. (End of R.)

Lastly, the President begged the field-marshal to inform The King on his own behalf, and, he added, looking across to me for confirmation, on behalf of His Majesty's Ambassador, that Anglo-Turkish friendship was henceforward indestructible. This friendship was to-day a very dear and precious possession of his and of the Turkish nation. The magnificence of the British representation at the funeral of his great predecessor was the measure of the importance The King and his people attached to it.

[E 6598/01/44] No. 41.

Viscount Halifax to Sir P. Loraine (Angora).

(No. 161. Very Confidential.)
(Telegraphic.) *Foreign Office, November* 23, 1938.

MY despatch No. 502 [of the 10th November: Proposed agreement between France, Great Britain and Turkey].

Please acquaint Turkish Government, in confidence, with French communication, and inform them that His Majesty's Government have now explained to French Government considerations, set forth in following two paragraphs, which have convinced them that it would be undesirable at present juncture to attempt to conclude an agreement, or agreements on the lines proposed.

2. In the first place, present cordial relations between United Kingdom and France would render it unnecessary for either country to contemplate undertaking formal engagements of this nature towards the other. Nor do His Majesty's Government consider that the negotiation and conclusion with Turkey of a formal agreement on the lines proposed would have a positive value in strengthening the most satisfactory relations now happily existing between the United Kingdom and Turkey.

3. Moreover, it appears likely that, if France and the United Kingdom were to contemplate such an agreement with Turkey, they might have to contemplate the conclusion of a similar agreement with Greece. Alternatively, it might be necessary to arrange for Greece to participate in the negotiations and for the agreement to become a four-Power agreement between France, Turkey, Greece and the United Kingdom. The conclusion of such an agreement or agreements between these four Powers would inevitably be ill-received by opinion in Germany and Italy. In Germany it would be represented as a combination intended to revive the so-called policy of encirclement, while in Italy the agreement would certainly be regarded as an attempt by the four Mediterranean Powers to combine in some anti Italian policy. If, in order to avoid these Italian objections, it were decided to attempt to include Italy in the proposed agreement, the project would become one for a general Mediterranean pact. It is most unlikely that the Italian Government would be prepared to conclude such a multilateral pact, and, in any case, His Majesty's Government would not be in favour of pressing such a proposal at the present time.

4. Your Excellency may add that, in view of the record of your conversation with Dr. Aras in August, when his Excellency acquainted you with the French proposal, His Majesty's Government feel certain that their present negative reply will neither surprise nor offend Turkish Government. They are confident, moreover, that Turkish Government will appreciate weight of the considerations set forth above, and they have no hesitation in explaining them to Turkish Government with the frankness which has now become keynote of Anglo-Turkish relations.

[E 7022/67/44] No. 42.

Sir P. Loraine to Viscount Halifax.—(Received November 24.)

(No. 576.)
My Lord, *Angora, November* 14, 1938.

I HAD the honour to inform your Lordship by my telegram No. 197 of the 11th November of the election to the Presidency of the Republic, in succession to the late M. Kemal Atatürk, of General Ismet Inönü. Some weeks previously, by my telegram No. 177 of the 19th October, I had expressed the view that General Ismet Inönü was the most likely candidate for the succession, and this was consistent with the forecast I had made of General Ismet Inönü's future career in my telegram No. 22 Saving, of the 26th October, 1937, at the moment of his retirement from the Office of Prime Minister in the Autumn of 1937.

2. Since his retirement I have never lost touch with General Ismet Inönü and every now and then have gone to see him, or have sent him an invitation to come to my house, which he has usually accepted with alacrity.

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3. Only about a week ago before the death of M. Kemal Atatürk, I had been to see the General and he had volunteered the statement, recorded in my letter to Sir Lancelot Oliphant of the 4th November, that he approved wholeheartedly the policy of close friendship with England that was being followed by the Government of M. Celal Bayar, and that if by misfortune the world got once again plunged into hostilities, we should find Turkey as steady as a rock.

4. On Sunday last, the 13th November, I was granted a private audience of the new President of the Republic in connexion with the message of sympathy and condolence sent by The King. That occasion was again taken by the new President to state in the most categorical manner his devotion to Anglo-Turkish friendship and his resolve to foster and develop that friendship in every honourable way for the mutual benefit of the two countries. Even if I had been unaware of the integrity of the President's character, I should have been impressed with the sincerity of his pronouncement.

5. No less evident was President Ismet's satisfaction and pleasure at the appointment of Field-Marshal Lord Birdwood as The King's personal representative at the obsequies of M. Kemal Atatürk and with the other measures being taken by His Majesty's Government to honour the memory of the Founder and first President of the Turkish Republic.

6. All these measures were deeply appreciated by the President. And I should also add that he spoke most feelingly and gratefully of the allusions in the British press to the memory of his illustrious predecessor and of their true and ungrudging estimate of Atatürk's remarkable achievements.

I have, &c.
PERCY LORAINE.

[E 7024/69/44] No. 43.

Sir P. Loraine to Viscount Halifax.—(Received November 24.)

(No. 582.)
My Lord, *Angora, November 16, 1938.*

AS I had the honour to inform your Lordship in my telegram No. 195 of the 10th November, the President of the Grand National Assembly, assuming the functions of head of the State upon the death of M. Kemal Atatürk, immediately convoked the Assembly for the following day, the 11th November, in order that they might proceed to the election of a President of the Republic. This procedure is laid down in the thirty-fourth article of the *Statut organique* of the Turkish Republic (Rizzo, *La Législation turque*, Vol. II, pp. 296 *sqq.*).

2. The Grand National Assembly accordingly came together at 11 A.M. on the 11th November, the Diplomatic Body being invited to attend the session. Proceedings opened with the calling of the roll, and the reading of the Government's proclamation recording the demise of M. Atatürk, the issue of which was reported in my despatch No. 569 of the 10th November. The President, M. Abdülhalik Renda, plainly overcome with emotion, informed the Deputies of the duty which lay before them, and paid brief but eloquent tribute to the late leader of the nation. He concluded by summoning those present to stand in silence for five minutes in memory of M. Atatürk. The silence was punctuated by the unashamed sobs of many of the Deputies, and nearly all, including the President, had to wipe their tearful eyes.

3. The election of the new President then took place. Each Deputy had been furnished with a slip of paper on which to write the name of his choice, the only constitutional requirement being that the President was to be chosen from among the members of the Assembly. The choice of the greater part of the Deputies had, in fact, already been made, for the Parliamentary group of the Popular party had met, on the morning of the 11th November, at 9·30 A.M., and, by the unanimous vote of 323 members, had selected M. Ismet Inönü to be the Popular party candidate for the presidency of the republic. The Popular party being the Government party, and the sole party in the State, and the Assembly being, with the exception of a few independents, entirely composed of members of the party, the election of M. Ismet Inönü by the Assembly was, therefore, a foregone conclusion. Parliamentary formalities were, however,

strictly observed. Each Deputy was called by name to place his voting slip in the urns before the President's chair. When all (with the exception of M. Şükrü Kaya, who had failed to take his place in the line when called and was refused leave to record his vote at the end) had deposited their slips in the urns, the latter were opened and the votes examined by nine scrutineers chosen by lot among the Deputies. After a brief interval M. Abdülhalik Renda proclaimed the election as President of the Republic of General Ismet Inönü, Deputy for Malatya, who had received 348 votes; no votes had been cast for any other candidate. This result was hailed with prolonged applause, and the Assembly stood adjourned for a short time while the President-Elect was informed of the Deputies' choice and invited to appear before them.

4. The Deputies greeted his appearance with acclamation. He straightway took the oath of fidelity to the republic in the form prescribed by the Constitution. He then delivered, in a voice vibrant with resolution and emotion, a speech, of which I have the honour to transmit to your Lordship the accompanying French translation.(1) In his speech he described the achievements of the deceased President as forming the very substance of the Turkish State as it now was; expressed confidence that the Turkish people would continue its progress in humanity and civilisation, brooking no aggression and refusing to give up its national rights despite any threat. He felt sure that the nation, though devoted to the ideal of peace, would, if obliged, gain new and glorious victories, as heroic as those of the past. The revolutionary impulse, he continued, which had brought Turkey to a high level of civilisation, would continue to urge it on. The republic had assured security for all, and repelled violence and anarchy. The Grand National Assembly, he concluded, was the life-giving well-spring of the Turkish nation. This speech and the resolute tones in which it was delivered galvanised the Deputies, and they punctuated it with vociferous applause.

5. The Assembly rose at 12-30 P.M. and the Deputies then filed past the newly elected President to present their congratulations. In the afternoon, the Diplomatic Corps, who on the previous day had been received by the Minister for Foreign Affairs for the purpose of presenting their condolences, were received by the new President and presented to him their condolences on the death of his predecessor and their congratulations on his election to his new office.

I have, &c.
PERCY LORAINE.

(1) Not printed.

[E 7027/69/44] No. 44.

Sir P. Loraine to Viscount Halifax.—(Received November 24.)

(No. 589.)
My Lord, *Angora, November 17, 1938.*

I HAD the honour to inform your Lordship in my telegram No. 207 of the 18th November that I had my first official interview with the new Turkish Minister for Foreign Affairs on the 12th November. My principal object in going to see M. Sükrü Saracoglu, beyond that of placing myself in immediate official contact with him, was to beg him to convey to the President of the Republic the expression of The King's sympathy in the death of M. Kemal Atatürk in accordance with His Majesty's commands, with which you had been so good as to acquaint me. It was after dealing with this and certain matters of form, that his Excellency made to me the declaration about the continuance of Turkish foreign policy on the lines hitherto laid down which formed the subject of my telegram under reference.

2. It is not necessary to elaborate this statement; but I should like to add that the spontaneity and obvious sincerity of M. Saracoglu's unsolicited declaration were impressive.

3. I am firmly of opinion that, if the services of M. Tevfik Rüstü Aras are no longer available for the conduct of Turkish foreign policy, no better or happier choice could have been made than that of M. Sükrü Saracoglu to wear his mantle.

4. M. Saracoglu has not got the same virtuosity, the same originality of outlook, or the wide imaginative of Dr. Aras; but he is a man of quick

intelligence and resource; his approach to problems is rather that of the lawyer and financier; he will quite likely not be as communicative as his predecessor; but if so, that will be of his nature, and not his deliberate choice. It will only be natural if he takes a little time to find his feet and his own equilibrium in the world of foreign affairs; but when he has done so I believe that you will find in him an intelligent and loyal collaborator, a shrewd negotiator and a warm-hearted friend.

I have, &c.
PERCY LORAINE.

[E 7029/69/44] No. 45.

Sir P. Loraine to Viscount Halifax.—(Received November 24.)

(No. 594.)
Angora, November 19, 1938.

My Lord,

I HAVE the honour, with reference to my telegram No. 200 of the 11th November, to transmit to your Lordship the accompanying copy of a note from the Ministry for Foreign Affairs containing a list of the members of M. Celâl Bayar's reconstructed Cabinet.

2. The *Ulus* of the 13th November paid a tribute to Dr. Aras and M. Şükrü Kaya, saying that the two retiring ministers, having held ministerial rank uninterruptedly for thirteen years in one case and eleven years in the other, had become tired out in the service of the State, but that their names would be for ever associated with the history of the Turkish revolution. Your Lordship will be aware from my telegram No. 211 of the 13th November that Dr. Aras is, indeed, glad to have a complete rest. The *Ulus* article may not have been equally accurate in the case of M. Şükrü Kaya, who, possibly by accident, arrived too late to record his vote when the members of the Grand National Assembly elected the new President of the Republic (please see my despatch No. 582 of the 16th November).

3. Dr. Refik Saydam (No. 74 in the Turkish personalities report for 1937), the new Minister of the Interior, has also replaced M. Şükrü Kaya as secretary-general of the Popular party. It will be recalled that he resigned from his position as Minister of Health when M. Ismet Inönü resigned in October 1937. He had on several occasions officiated as Prime Minister during M. Inönü's absences abroad, and, indeed, represented his Government in that capacity at the reception given at this Embassy on the occasion of the coronation of His Majesty The King.

4. M. Hilmi Uran (No. 40 in the Turkish personalities report for 1937) is not new to Cabinet rank, as he was Minister of Public Works from 1930 to 1933. Since March 1937 he has been one of the three Vice-Presidents of the Grand National Assembly, a position to which he was re-elected at the opening of the present session on the 1st November.

I have, &c.
PERCY LORAINE.

Enclosure 1 in No. 45.

Turkish Ministry for Foreign Affairs to His Majesty's Embassy, Angora.

LE Ministère des Affaires étrangères a l'honneur de porter à la connaissance de MM. les Chefs de Missions accrédités à Ankara que M. Ismet Inönü, Président de la République, après avoir accepté la démission collective du Cabinet présidé par M. Celâl Bayar, lui a confié le mandat de former le nouveau Cabinet.

Le Président du Conseil démissionnaire, ayant accepté cette charge, a reformé son Cabinet dont la liste ci-jointe a été approuvée par le Président de la République.

Le Ministère des Affaires étrangères prie MM. les Chefs de Missions de bien vouloir porter ce qui précède à la connaissance de leurs Gouvernements respectifs.

Ankara, le 13 novembre 1938.

Enclosure 2 in No. 45.

List of Members of M. Celâl Bayar's Cabinet.

Président du Conseil: Celâl Bayar, Député d'Izmir.
Ministre de la Justice: Hilmi Uran, Député de Seyhan.
Ministre de la Défense nationale: Général K. Ozalp, Député de Balikesir.
Ministre de l'Intérieur: Dr. Refik Saydam, Député d'Istanbul.
Ministre des Affaires étrangères: Şükrü Saracoglu, Député d'Izmir.
Ministre des Finances: Fuat Agrali, Député d'Elazig.
Ministre de l'Instruction publique: Saffet Arikan, Député d'Erzincan.
Ministre des Travaux publics: Ali Çetinkaya, Député d'Afyon.
Ministre de l'Economie: Sakir Kesebir, Député de Tekirdag.
Ministre de l'Hygiène et de l'Assistance publique: Dr. H. Alatas, Député d'Aydin.
Ministre des Douanes et des Monopoles: Rana Tarhan, Député d'Istanbul.
Ministre de l'Agriculture: Faik Kurdoglu, Député de Manisa.

[E 7030/69/44] No. 46.

Sir P. Loraine to Viscount Halifax.—(Received November 24.)

(No. 595.)
Angora, November 19, 1938.

My Lord,

I HAVE the honour, with reference to my despatch No. 594 of to-day's date concerning the new Turkish Cabinet, to inform your Lordship that, on the 16th November, the Prime Minister, M. Celal Bayar, rose in the Grand National Assembly and, in accordance with article 44 of the Constitution, made a statement of Government policy and asked for a vote of confidence. I transmit to your Lordship the accompanying French translation of M. Celal Bayar's speech on this occasion.(1)

2. Beginning by expressing his conviction that the Presidency of M. Ismet Inönü, "the most distinguished figure of the revolution and of Atatürk's régime," would bring happiness and prosperity to the nation, he described the poignant grief of the nation on the passing of their great leader who had found his country wounded to death, and had left it full of vigorous life, happy in its secure independence. He extolled his wisdom, his justice and his love for his people. He said that he and his colleagues would ever keep to the road traced by their great chief, and would maintain his régime "which corresponded best to the genius of the nation."

3. Passing then to the exposition of his policy, he declared that he would complete the execution of the programme submitted to the Assembly by him at the opening of last year's session; that the policy of the Popular party was his policy; that he would continue to safeguard the rights of every individual and those of the community and to ensure peace at home and abroad.

4. Touching his foreign policy, he stated that there would be no change in it. "We remain faithful to our agreements, friendships and alliances. We shall resolutely promote them and keep them active. I confirm our trust in all our friends and allies and our affection towards them."

5. He concluded by affirming that his Cabinet were loyal servants of the present system of Government, resolved to maintain the ideals of the early revolutionaries, and asked for the confidence of the Assembly. The Assembly, by the unanimous vote of 344 members, gave him this confidence.

I have, &c.
PERCY LORAINE.

(1) Not printed.

[E 7055/60/44] No. 47.

Sir P. Loraine to Viscount Halifax.—(Received November 24.)

(No. 223.)
(Telegraphic.) *Angora, November 24, 1938.*

(R.) ON 22nd November President of the Republic received separately and in alphabetical order the special delegates and diplomatic envoys of the countries represented at the funeral ceremonies.

Field-Marshal Lord Birdwood had already left Angora the previous evening, as it seemed wisest to get him back to England as soon as possible to have his foot treated.

I therefore attended this reception with the Commander-in-chief, Mediterranean, and we were accompanied by my counsellor and his staff officer.

President of the Republic again referred in moving terms to Anglo-Turkish friendship, and when speaking to the commander-in-chief, to whom he extended the most cordial welcome, expressed once more his sense of the splendid British representations at Atatürk's funeral and his gratitude for this striking manifestation of British friendship towards his country. These were circumstances which throughout his life he would never forget.

After the last delegation had been received, the President, accompanied by his household, joined the assembled delegations in a large reception room; and here again he singled out the commander-in-chief and spoke to him for several minutes in English. I also found an opportunity to make the commander-in-chief acquainted with the Turkish Prime Minister and the Minister of Defence; later also with Marshal Chief of the General Staff, with whom the commander-in-chief and I conversed for upwards of half an hour. (End of R.)

Commander-in-chief, who is returning to London forthwith, will acquaint Admiralty with some of the marshal's observations, which were of particular interest.

I should perhaps add that the principal German delegate, Baron von Neurath, appeared to go out of his way to emphasise publicly his friendliness for England as represented at the moment by the commander-in-chief and myself.

(R.) I should also like to say how greatly the field-marshal and the Commander-in-chief, Mediterranean, besides fulfilling to perfection their respective mission, have, in my opinion, contributed to Anglo-Turkish friendship not only by their personal prestige and demeanour, but also by their great courtesy and understanding sympathy. (End of R.)

[E 6920/67/44] No. 48.

Viscount Halifax to Sir P. Loraine (Angora).

(No. 527.)
Sir, *Foreign Office, November 24, 1938.*

WITH reference to your Excellency's telegram No. 210 of the 18th November, I have to inform you that the Turkish Ambassador called here on the 17th November, and informed Sir Lancelot Oliphant that he had been instructed by the new President of the Republic to give the most emphatic assurances to His Majesty's Government that the attitude of the new régime in Angora would differ in no way whatever from that of the previous administration as regards their friendly feelings towards this country. It was to emphasise this fact that his Excellency had received instructions to return to London so quickly, and he had been sent to this country specifically to ease any anxieties which might be entertained here regarding the future of Anglo-Turkish relations.

2. His Excellency was thanked most sincerely for this communication, which, while in no way a surprise, was of the utmost satisfaction to His Majesty's Government. He was told, too, that, since his departure from Turkey, the President of the Republic and the Minister for Foreign Affairs had sent me messages in the same sense, to which I had already replied.

3. M. Okyar added that his Government were most appreciative of the fact that not only Lord Birdwood, but also the Commander-in-chief of the Mediterranean Fleet, would be attending M. Ataturk's funeral. His Excellency was assured that this was but a small sign of the regret entertained in this country at the death of one of the most remarkable men of this generation, and he replied that he had been intensely impressed by the very appreciative nature of the articles which had appeared in the English press.

4. Sir Lancelot Oliphant said that this allusion to the English press made him recall that one small paragraph in various papers had implied that his Excellency would soon be leaving this country. He most earnestly hoped, both on public and personal grounds, that there was no truth in this statement. M. Okyar said that, on the contrary, it was perfectly true. He was to stand for Parliament, and might be of use to Anglo-Turkish relations in Angora, where, however, he would always look back on his time in London as the most happy period in his life. His Excellency's present intention was to stay here about a month.

5. A slight allusion to Dr. Aras's retirement led M. Okyar to volunteer, without any specific enquiry regarding his own successor in London, that Dr. Aras had asked to be appointed to the London Embassy, and it was quite likely that he would be given it, in so far as the selection lay with the Turkish Government. His Excellency added, however, that no decision had been reached on this point at present.

6. The Turkish Ambassador reiterated the assurances set out in paragraph 1 of this despatch, when he came to see me the following day.

I am, &c.
HALIFAX.

[E 6598/91/44] No. 49.

Viscount Halifax to Sir P. Loraine (Angora).

(No. 528.)
Sir, *Foreign Office, November 24, 1938.*

IN my despatch No. 502 of the 10th November I informed your Excellency that the French Ambassador had recently approached me with regard to the possible conclusion of a new political agreement between France and Turkey. M. Corbin had explained that the Turkish Government were insisting, as a condition of any such agreement with France, that a similar agreement should be made between Turkey and the United Kingdom, or, alternatively, that there should be a tripartite agreement between France, Turkey and the United Kingdom.

2. My telegram No. 161 of the 23rd November contained instructions to you to inform the Turkish Government in confidence of the reply which has been returned to the French Ambassador's request for the views of His Majesty's Government on this proposal, and will have given you full information with regard to the reasons which have convinced His Majesty's Government that it would be undesirable for them at the present juncture to attempt to conclude an agreement with Turkey, or a tripartite agreement with France and Turkey, on the lines proposed.

3. I now enclose, for purposes of record, a copy of a memorandum describing the reasons which led His Majesty's Government to take this decision. It formed the basis of an oral communication to the counsellor of the French Embassy on the 21st November.

I am, &c.
HALIFAX.

Enclosure in No. 49

Pro Memoria.

ON the 4th November the French Ambassador was so good as to give Sir Alexander Cadogan certain information in regard to an approach recently made to the French Government by the Turkish Government on the subject of a

proposed Franco-Turkish agreement. M. Corbin said that the Turkish Government had indicated that it would be a condition of any such agreement with France that a similar agreement should be made with Great Britain, or, alternatively, that there should be a tripartite agreement between France, Great Britain and Turkey.

2. According to information subsequently supplied by M. Roché, the Turkish Government had suggested that the agreement, or agreements, should be based on the agreements between Turkey and Greece, and the particular agreement which they had in mind was the Turco-Greek Treaty of the 27th April, 1938, the main provisions of which were, firstly, that, if one party to the agreement should be at war, the other party should observe an attitude of benevolent neutrality; secondly, that there should be provision for consultation with a view to co-operation in the event of a threat of hostilities to either party; and, thirdly, that each party should undertake not to harbour on its territory any individual organisation working to the detriment of the other party.

3. The suggestion that Great Britain should conclude a bipartite agreement of this nature with Turkey, or a tripartite agreement with France and Turkey, has now been studied by His Majesty's Government, and it is now the intention to put before you, with complete frankness, the outcome of this examination and the general conclusions which have been reached.

4. In the first place, as the French Government will readily recognise, the cordial relations now happily existing between France and the United Kingdom would render it unnecessary for either country to contemplate undertaking formal treaty engagements of this nature towards the other. The arrangement proposed would have little or no positive value in strengthening Franco-British relations. The question for consideration is thus mainly whether the conclusion of such treaty arrangements with Turkey by the United Kingdom and France would be of advantage. As regards the possible effect on relations between France and Turkey, it is not for His Majesty's Government to express an opinion. But, on the question whether the proposed treaty arrangements would have a positive value in strengthening the existing relations between the United Kingdom and Turkey, His Majesty's Government have serious doubts. As the French Government are aware, the relations at present existing between the United Kingdom and Turkey are most satisfactory, and it is considered unlikely that they would be substantially improved by the negotiation and conclusion of a formal agreement on the lines now under consideration.

5. Moreover, it appears likely that, if France and the United Kingdom were to contemplate such an agreement with Turkey, they might have to contemplate the conclusion of a similar agreement with Greece. Alternatively, it might be necessary to arrange for Greece to participate in the negotiations, and for the agreement to become a four-Power agreement between France, Greece, Turkey and the United Kingdom. The conclusion of such an agreement or agreements between these four Powers would inevitably be ill received by opinion in Germany and Italy. In Germany it would be represented as a combination intended to revive the so-called policy of encirclement. In Italy the agreement would certainly be regarded as an attempt by the four Mediterranean Powers to combine in some anti-Italian policy. If, in order to avoid these Italian objections, it were decided to attempt to include Italy in the proposed agreement, the project would become one for a general Mediterranean pact. It is most unlikely that the Italian Government would be prepared to conclude such a multilateral pact, and in any case His Majesty's Government would not be in favour of pressing such a proposal at the present time.

6. The French Government will certainly appreciate the force of these considerations, which have convinced His Majesty's Government that it would be undesirable for them at the present juncture to attempt to conclude any agreement or agreements with Turkey on the lines proposed.

November 21, 1938.

[R 9534/609/7] No. 50.

Sir P. Loraine to Viscount Halifax.—(*Received November* 30.)

(No. 225.)
(Telegraphic.) *Angora, November* 29, 1938.

I FEAR for the time being nothing can usefully be done by us to assist the dispersal of the military suspiciousness between Bulgaria and Turkey.

(Very Confidential.)

The Bulgarian Minister here has unfortunately put his foot in it. Maybe a week or ten days ago, after telling the Turkish Minister for Foreign Affairs how grateful Bulgaria was to Turkey for being the first to advocate Bulgaria's equal rights of armaments, &c., and how unthinkable it was that Bulgaria should ever again be in arms against Turkey, he expressed the hope that when the time came for " justice " to be done to her, Bulgaria would be able to count on Turkish sympathy.

Not unnaturally, the Turkish Minister for Foreign Affairs is now again on his guard against an attempt by Bulgaria to play off one Balkan neighbour against the other, and he finds it difficult not to interpret this as meaning that if Bulgaria has renounced territorial claims on Turkey, she nevertheless hopes for Turkish sympathy in eventual territorial claims on Turkey's neighbours and allies.

My informant is, of course, the Minister for Foreign Affairs himself, and I feel pretty certain that he will not magnify the matter. It is quite likely that the Bulgarian's statement was infelicitous rather than Machiavellian. But however that may be, we must, I submit, give the parties immediately concerned time to smooth this out between themselves.

(Repeated to Sofia and Saving to Belgrade, Athens and Bucharest.)

[E 7226/91/44] No. 51.

Sir P. Loraine to Viscount Halifax.—(*Received December* 1.)

(No. 226. Confidential.)
(Telegraphic.) *Angora, December* 1, 1938.

YOUR telegram No. 161.

Having sent Turkish Minister for Foreign Affairs a personal and confidential letter in the sense of your instructions, I saw his Excellency yesterday with a view to discussing the matter.

He told me that your answer was one that his Government had been awaiting with some anxiety and was almost exactly in the sense they had anticipated.

They were, therefore, not astonished and were very far indeed from being offended. Turkish Government once again had the opportunity to appreciate the skill of His Majesty's Government in analysing a complicated figure and the [group undecypherable] in expressing their views. He thought your arguments were convincing and admirably put.

[R 9623/112/7] No. 52.

Sir P. Loraine to Viscount Halifax.—(*Received December* 3.)

(No. 229.)
(Telegraphic.) *Angora, December* 2, 1938.

JUST before Sofia telegram No. 128 had come to my attention I had asked the Turkish Minister for Foreign Affairs privately what view he took of the recent manifestations at Sofia.

He said evidently they were neither welcome nor reassuring. It seemed as though Bulgaria realised the impossibility of any frontier revision at the expense of Greece and Turkey or Yugoslavia, and that ambitions were therefore directed towards Dobruja.

I gathered that there had been consultation between the Balkan allies and that a suggestion had been made that they should make representations at Sofia, but that it had been dropped. Turkish view was that any such action was likely merely to increase the difficulties of King Boris and his present Government, who were given credit for good sense and behaviour.

(Repeated to Sofia and, Saving, to Athens, Belgrade and Bucharest.)

[E 7859/67/44] No. 53.

Sir P. Loraine to Viscount Halifax.—(Received December 8.)

(No. 603.)

My Lord, *Angora, November 22, 1938.*

I HAVE the honour, with reference to your telegram No. 153 of the 15th November, to inform your Lordship that I have duly conveyed to the Turkish Minister for Foreign Affairs, by personal letter on the following day, the cordial thanks of His Majesty's Government for his statement, and the further message contained in the telegram. I now have the honour to transmit to your Lordship herewith a copy of the letter which M. Şükrü Saracoğlu has addressed to me in acknowledgment of this communication.

I have, &c.

PERCY LORAINE.

Enclosure in No 53.

M. Saracoğlu to Sir P. Loraine.

Mon Cher Ambassadeur, *Ankara, le 20 novembre 1938.*

J'AI l'honneur de vous accuser réception de votre lettre du 16 novembre 1938 par laquelle vous m'informez que vous avez donné connaissance à Lord Halifax de la déclaration que je vous avais faite, au cours de notre récent entretien du 12 novembre 1938, lorsque je vous avais dit que le changement survenu dans le Gouvernement turc ne comportait aucune modification dans la politique extérieure de la Turquie et que le nouveau Gouvernement, fidèle à la politique suivie par l'ancien, déploierait ses efforts pour renforcer l'amitié turco-britannique et la rendre toujours plus efficace.

Je suis très sensible au message dont sa Seigneurie vous a chargé pour moi en cette occurrence et à la satisfaction avec laquelle le Gouvernement de Sa Majesté a reçu cette déclaration.

Le Gouvernement turc prévoit lui-même une continuation de la collaboration fructueuse dans l'atmosphère de cordialité et d'amitié qui a caractérisé si heureusement les rapports entretenus jusqu'ici.

Veuillez, &c.

Ş. SARAÇOGLU.

[E 7361/69/44] No. 54.

Sir P. Loraine to Viscount Halifax.—(Received December 8.)

(No. 608.)

My Lord, *Angora, November 25, 1938.*

IT was with a feeling of the profoundest regret that I despatched my telegram No. 194 acquainting you with the death of M. Kemal Atatürk.

2. Although I have the honour to enclose herein an account which the counsellor of this embassy has been so good as to prepare for me of the career of the late President of the Republic, I do not propose in this despatch to attempt an appraisal of the work of Kemal Atatürk, but rather to give a picture of the man himself and to attempt some estimate of what he stood for, and signified. His career and his works will no doubt be related, analysed and discussed by publicists and historians. Few, if any, of these, however, will have known the

man himself; without such knowledge a reconstruction of him is almost certain to be misleading.

3. In the matter of acquiring that knowledge I have perhaps been specially privileged. Although my occasions for seeing the late President were few, they were, nevertheless, probably more frequent and of longer duration than those enjoyed by other diplomatic representatives. But apart from that, I know that from the early stages of my mission Atatürk regarded me as a personal friend, that he enjoyed seeing me, that he was always glad when an opportunity to do so offered itself, and that his interest and attention never flagged during our conversations. It would seem, moreover, that I had some gift for stimulating his faculties, and that he never resented it at all when I found occasion to challenge his ideas or his conclusions on the subject under discussion. So I think he revealed himself more to me than he usually did with foreigners.

4. But, apart from my direct personal experience, I have had many opportunities of discussing him and his characteristics with a number of his intimates, including some of the Cabinet Ministers, who felt no difficulty in speaking to me freely once they understood that Atatürk had given me his personal friendship.

5. It does not really convey anything particular to say that Atatürk was a most unusual and remarkable man. He was, but I must try to explain why he was unusual and why remarkable.

6. I believe the root explanation is a duality of character. Most people who have read *Grey Wolf*, the book of Mr. Armstrong that is abhorred and banned in this republic, would get in the main the picture of a man of great talent and indomitable energy, but of complete ruthlessness, repellent demeanour, ungovernable temper, unbridled appetites, and rather discreditable passions; moreover, of a man to whom friendship was an unknown quantity. It would not be difficult to assemble evidence which would appear to confirm this diagnosis; I am myself convinced, however, that such a picture of the man would be utterly misleading. Duality of character is the only explanation I can find for a series of apparent anomalies. The incalculable good that this man has done in not much more than fifteen years, not by winning this or that battle, not by introducing this piece of legislation, or that alphabet, or by prohibiting the wearing of the fez, or by laicising the State, but by trusting in the genius of a race that had suffered centuries of woeful, soul-stunting misgovernment, by liberating incalculable forces merely because he knew that they must not be allowed to suffer further servitude —that good must be the measure of the man's greatness and the justification of his extraordinary vision. The rest is detail; merely the detail on which a gossip-monger will fasten, but which the historian would do well to reduce to its proper proportion.

7. On the man's dynamic energy I need not dwell; its irresistible force has now become one of the most notable chapters in the history of the Turkish race. But I should like to mention another quality, which has not been so self-evident, and that was Atatürk's native and, indeed, unconscious capacity to sift instantly the unessential from the essential, and to discard the former as automatically as a separator divides the milk from the cream.

8. Everywhere in this man's character, or at least in the current version of it, you find contradictions. His alleged ruthlessness cannot be reconciled with the desire for the affection of his fellow-men that was manifest to those who knew him. His reputed addiction to the sins of the flesh and taste for ephemeral companionships in the half-world are difficult to reconcile with the conception of the rôle of womanhood, and of the rights and dignity of the female sex to which his public acts bore the most striking testimony. For in a few years he abolished polygamy as a legal state, and threw open all the liberal careers to the female sex even, should they so wish it, to the former inmates of cloistered harems. The complete disregard of conventionality which characterised his private life—and it made no difference if at a particular moment he was living his private life in a public place—stood in strange contrast with the impeccability of his dress, the excellence of his manners, and the dignity of his bearing whenever he was acting in an official or representative capacity. Few great men could make you feel more at your ease, fewer, I imagine, could, if need were, make you feel more uncomfortable.

9. Atatürk disliked and despised what is now known in the west as the "yes-man," and has long been known in Turkey as the "*evetji*." Neither fools nor sycophants did he suffer gladly, and most of all perhaps did he loathe the

exploiter and contemn the covetous. To him there was something ridiculous in the idea that someone was working for him. He himself lived, thought and worked for the country, the race and the people. In his view, others would be merely lacking in their duty if they failed to do likewise.

10. I fear he will go down to posterity as a dictator. I am persuaded that this is a misnomer. A very great leader, yes, both in war and in peace; but a true dictator, no. Unfortunately we have, so far as I know, no accepted definition of a dictator by which to measure him. But, unlike Hitler and Mussolini, he had no administrative or executive function in the State; he did not have the power of pardon or amnesty; he could not instruct courts of law; he could decline to receive representations from foreign diplomatic representatives. You may brush aside these points as merely technical and urge that in all the activities of the State his will prevailed. That is true; but it prevailed by the more than willing consent of those whose responsibility was engaged. The hard sequence of events had shown that Atatürk's vision was clear, his judgment discerning, and that he did not make mistakes. Small wonder then that his counsel was eagerly sought and gladly followed. But what perhaps distinguished him most of all from the typical dictator, classing as such Hitler, Mussolini and Primo de Rivera, was that from the outset he was wittingly, strenuously labouring to create a system that would survive him. And, if the tranquil election of his successor and the unruffled continuity of the régime since his death be any criterion, he has succeeded.

11. There was something almost uncanny about his insight, something superb about his incapability of pettiness or furtiveness, something awe-inspiring in the relentlessness of his power of concentration, something appealing in his subconscious need for warmth and understanding—probably the counterpart of the icy inflexibility of his conscious will.

12. Born a Moslem and become an atheist, he loved righteousness and hated iniquity; a soldier by instinct and profession, he loathed war and, so soon as he had the freedom and the power to do so, he sought peace and ensued it. Since he took control of Turkey's destinies there is not one of Turkey's neighbours, most of them the enemies of the Ottoman Empire, some of them its former subjects, to whom the Kemalist Republic has not offered the hand of equal friendship. Mostly the hand has been grasped, and the cumulative effect has been a notable reduction of sources of friction and an equally notable consolidation of peace over a wide area of the hither East.

13. Kemal Atatürk never stopped doing fearlessly what he knew ought to be done and needed to be done. Even when the aggravation of his malady brought death near, fear never touched his heart or his mind. He died in the service of the Turkish people. And even death may not have cheated him of his greatest victory —the restoration to that people of life, dignity, honour, and the means to live; and, most precious gift of all, the freedom to enjoy them.

I have, &c.
PERCY LORAINE.

Enclosure in No. 54.

Account of the Career of the late President of the Turkish Republic.

BORN in Salonica on the 19th May, 1881, the future President of the Turkish Republic was given the name of Mustafa. His father, Ali Riza Bay, who was a customs official and later a timber merchant, died when the boy was quite young. The boy then worked on his uncle's farm for two years. His mother, Zubeida, a notable woman, made great sacrifices to enable her son to do his schooling.

He distinguished himself at his school in Salonica by his general ability and particularly by his proficiency in mathematics. His teacher, Captain Mustafa, as a mark of admiration, gave him the surname of Kemal ("Perfection") which he thenceforth adopted. His zeal for knowledge led him to take secret lessons in French during his holidays at the French missionary school in Salonica.

At school he was proud, shy and aloof. He showed a capacity for leadership, and from his earliest days was always well-dressed—a habit acquired from his father.

From Salonica Mustafa Kemal went to Monastir to continue his studies, and then passed to the military college and staff college in Istanbul. Here he, and fellow students who, like him, were dissatisfied with the state of affairs prevailing in Turkey and with the administration of Abdul Hamid, met secretly to plan for a better Turkey. The Sultan's spies got wind of these gatherings, and, on the day on which Mustafa Kemal was gazetted as a staff captain (29th December, 1904), he and his comrades were arrested and taken to Yildiz Palace. He lay in prison for some months, but, ultimately, his life was spared and he was sent in exile to Damascus, where he remained for three years. In 1906 he founded a secret society under the name of "Freedom and Fatherland." With the object of spreading his doctrines in European Turkey he travelled via Egypt and Greece to Salonica, where he founded a branch of his society. This branch after the proclamation of the Constitution in Turkey in 1908 was amalgamated with the Committee of Union and Progress.

Mustafa Kemal took part as Chief of Staff of the army of Hüsnü Paşa in the march of Turkish troops on Istanbul in 1909 to repress the counter-revolution and to depose Sultan Abdul Hamid. Later Mustafa Kemal left the Committee of Union and Progress, owing to disagreement with its methods and disillusionment over its working.

In 1910 Mustafa Kemal for the first time visited Western Europe, when he formed part of a Turkish deputation to the French manœuvres.

Mustafa Kemal passed in disguise through Egypt to help in organising resistance in Tripoli to the Italians. In this he was successful, and his experiences in this war gave him a rather scornful opinion of Italian qualities which he retained to the end.

He hastened back from Tripoli to take part in the Balkan War, and in 1912 was Chief of Staff to the Turkish army corps based on Bulair, and participated in the recapture of Adrianople from the Bulgarians. During this time he had ample opportunities of studying the Gallipoli peninsula, and this knowledge was later to stand him in good stead.

Even at this time he was on bad terms with Enver Paşa, who had succeeded in capturing the admiration of the public. In the opinion of Mustafa Kemal Enver was a man of no great value, but his showiness brought him more public recognition than his more capable collaborators in the work of restoring Turkey's freedom and in warring against the foreigner.

The outbreak of the Great War found Mustafa Kemal at Sofia as military attaché. He returned to Turkey in October 1914 and was given command of a division at Gallipoli, where he served with distinction, twice being responsible—at Anzac and at Arafarta—for saving the situation and preventing the Allies from breaking through and possibly ending the campaign.

During the Gallipoli fighting a bullet might have ended the career of Mustafa Kemal, but it struck his watch and his life was saved.

Nothing in after life gave Mustafa Kemal so much pleasure as the presentation to him by His Majesty's Government in 1932 of a book on the *Official History of the Dardanelles Campaign*, with the inscription: "In honour of a great general, a gallant enemy and a generous friend."

Subsequently, he fought on the Caucasus front and retook Bitlis and Mus from the Russians. He was then transferred to Syria, where he disagreed with General von Falkenhayn about the conduct of the campaign and returned to Istanbul. Early in 1918 he accompanied the heir to the throne, Prince Mohammed Vaheddin, to Germany, where he made the acquaintance of the Kaiser and of Marshals Ludendorff and von Hindenburg. They seemed to have treated Mustafa Kemal somewhat cavalierly and ignored his pertinent questions. He returned to Turkey and was appointed to the army in Syria in time to effect a clever retreat northwards from Aleppo, and even to hold up the advancing British troops until the signature of the armistice.

Early in the armistice period he began to organise means of resistance to the Allies in the event of unfavourable terms being imposed on Turkey. In May 1919 he was appointed to the Northern Military Inspectorate of Anatolia, and on the 19th of that month reached Samsun with Colonel Refet Bay, and began to incite the nation against the Greeks, who had landed at Smyrna, and the Allies.

He travelled to Amasia, Sivas and Erzerum, becoming more and more independent of the Constantinople Government. In July 1919 he was declared by the Sultan's Government, and in the same month summoned the first National

Congress at Erzerum. While opposed to the Central Government it proclaimed loyalty to the Caliph. Mustafa Kemal established contact with the Kurds and with the forces fighting against the Greeks near Smyrna.

In September 1919 he summoned a National Congress at Sivas. In December of that year he arrived in Angora, which became the headquarters of the Kemalist movement, the seat of the Grand National Assembly, and later the capital of Turkey.

Meanwhile, the military authorities in Istanbul had begun more and more to acknowledge Mustafa Kemal's leadership, and in January 1920 the Istanbul Cabinet restored to him his military rank, and the Turkish War Office helped to supply him with men and munitions.

On the 23rd April, 1920, the first Grand National Assembly met in Angora, and the Kemalist Government, as distinct from the Constantinople Government, was born. In 1921 Soviet and Afghan Ambassadors were appointed to the Kemalist Government. Mustafa Kemal, despite difficulties with his own supporters and despite the labour of organising a Government and an Administration, continued to direct with skill the war against the Greeks, who had advanced from Smyrna further and further into Asia Minor. At length in 1921 on the Sakaria, after a twenty-two-day battle, the advance of the Greeks was arrested. Thereafter they were pushed back until, after the decisive battle of Dumlupinar (known henceforth to the Turks as the commander-in-chief's battle), Mustafa Kemal's victory over them was complete, and they were driven into the sea at Smyrna in September 1922.

The Grand National Assembly, in recognition of his victories over the enemy, accorded him the title of "Gazi."

The Allies, with the disappearance of the Greeks from Asia Minor, found themselves face to face with the victorious Turks, and a period of tension followed ending with the conclusion of an agreement at Mudania in October 1922. In the following month the Gazi secured from the Grand National Assembly the abolition of the Sultanate, and the last of the Sultans fled from Turkey on board a British battleship.

The Caliphate remained, in the person of Abdulmecit. In 1923 the signature of the Treaty of Lausanne set the seal on Turkey's independence. Thereafter, Gazi Mustafa Kemal was to show himself not only an able commander in the field, but also a wise leader of his people towards the goal he set before them—the modernisation of Turkey. Thenceforward, all reforms and innovations were inspired by his genius.

In October 1923 Turkey was proclaimed a republic, and Gazi Mustafa Kemal became its first President, an office he retained, through successive re-elections, until his death. In the following year he decreed the abolition of the Caliphate.

In 1925 he divorced his wife, Latife Hanum, whom he had married in 1922.

The history of the years after the Lausanne Peace Settlement is a record of the achievements of the President of the Republic. In some cases he acted directly. In others he used the intermediary of the Grand National Assembly, for he wished, on his death, to leave Turkey a constitutional State, with all the machinery of government in full working order, tested by experience. For this reason, although the Assembly was composed almost entirely of the representatives of his party, *i.e.*, the People's party which he had founded in 1923, and although only members of the party were usually the only candidates at parliamentary and municipal elections, he encouraged debates in the Assembly and insisted on all citizens voting, so as to get them accustomed to their civic responsibilities. For this reason he arranged for "independent" (non-party) candidates to be elected Deputies, and even (in 1930) created an Opposition party in the Assembly under the leadership of Fethi Okyar (later Turkish Ambassador in London)—an experiment which turned out a failure.

The following is a brief record of events from 1924 onwards (matters traceable in most cases to the President's initiative) :—

1924. Promulgation of the Turkish Constitution.

1925. Adoption of the hat and abolition of the fez; closing of Dervish "tekkes"; introduction of usage of international calendar and Western method of recording time.

1926. Promulgation of a new Civil Code (which *inter alia*, made polygamy illegal).

1927. First visit to Istanbul after eight years; six-day speech, giving the history of his achievements and contemporary events; the first census; opening of Angora–Kayseri Railway.

1928. Islam declared to be no longer a State religion; introduction of Western alphabet and numerals. King Amanullah visits Angora.

1929. Visit of Mediterranean fleet; Gazi receives commander-in-chief in Angora.

1930. Purification of the Turkish language by rejection of Arabic and Persian words; opening of Angora–Sivas Railway; foundation of Opposition party in the Grand National Assembly under Fethi Bay.

1931. The Gazi tours the country to explain the aims of the Popular party.

H.R.H. Princess Alice and the Earl of Athlone visit Angora.

King Feisal of Iraq visits Angora.

1932. Samsun–Sivas Railway opened; the first woman is appointed to the Turkish diplomatic service; a linguistic conference took place at Istanbul, the main theme being that Turkish was the mother of all tongues.

1933. The Gazi again tours the country to speak to his people; a five-year industrial plan is launched.

King and Queen of Yugoslavia visit Istanbul.

1934. Law on adoption of surnames comes into force; Grand National Assembly gives Gazi Mustafa Kemal the name of "Atatürk"; the appellations Pasha, Bay and Effendi are abolished; metric system comes into use.

The Shah of Persia visits Angora.

1935. Women first exercise the vote at the parliamentary elections, and several women Deputies are elected. The weekly day of rest is changed from Friday to Sunday.

1936. Atatürk strongly supports the "sun" theory of languages, all words being traced back to the primitive word for sun.

He encourages archæological research, particularly in regard to the Hittites.

Turkey strongly supports His Majesty's Government in the Italo-Ethiopian dispute.

Atatürk tours the eastern provinces.

His Majesty King Edward VIII visits Istanbul.

1937. Atatürk tours the south-eastern provinces.

His interest is manifested in historical and archæological subjects.

1938. Early in the year Atatürk falls ill and on the 10th November dies.

At the time of his death he was unquestioned ruler of the country. Since 1925, when a serious Kurdish rising took place, and 1926, when a plot against his life was discovered in Smyrna and the ringleaders were hanged, signs of any widespread opposition to his rule were few. On his deathbed he could well look back with pride on Angora, the capital he had created, and on the new Turkey which he had liberated, renovated and inspired.

[E 7366/87/44] No. 55.

Sir P. Loraine to Viscount Halifax. (*Received December* 8.)

(No. 616. Confidential.)

My Lord, *Angora, November* 30, 1938.

I HAVE the honour to inform you that, having observed some suggestions in the local press to the effect that Turco-Russian relations had become warmer since the presence in Angora for the funeral of M. Atatürk of M. Potemkin, Assistant Commissar for Foreign Affairs, as special delegate of the Soviet Government, and the audience which had been granted to him by the new President of the Republic, I took occasion of a conversation with the Turkish Minister for Foreign Affairs this morning to enquire whether there were, in fact, any fresh developments in Turco-Russian relations.

2. M. Saracoglu said that he himself had had a very long discussion with M. Potemkin, and it was true that M. Potemkin had been received by the President of the Republic in a friendly manner. The upshot of these contacts had, his Excellency thought, indeed been useful. I would be aware that, although the basis of their relations had remained the same, there had been difficulties between the two countries since the negotiation of the Montreux Straits Convention. I would

also be aware, for his predecessor would certainly have kept me informed, that there had been a tendency on the part of the Soviets to extend the scope of Turkey's existing obligations towards Russia, which the Turkish Government had found it necessary to resist. A similar tendency had been observable in M. Potemkin's attitude, but this time, rather on the ground, so I understand, of an imminent direct threat to Russia on the part of "an aggressor Power." M. Potemkin had, moreover, deplored the fact that Turco-Russian friendship had apparently lost its early fervour.

3. M. Saracoglu had categorically assured M. Potemkin that Turkey would remain exactly faithful to her assumed obligations, and that her attitude would be that laid down in the treaty in the event of Russia being the victim of an aggression; moreover, the Soviets could be absolutely certain that Turkey would never tolerate an attack on Russian territory from the Turkish border. Turkey, however, could not extend her obligations in the way which she understood M. Potemkin to advocate. To do so would be to accept obligations which it was beyond Turkey's strength properly to fulfil; besides that it would involve Turkey in political matters and dangers in a field far removed from her necessarily restricted interests. If, therefore, she was to undertake more extensive obligations, she would be acting against prudence and wisdom.

4. M. Potemkin, so M. Saracoglu informed me, felt constrained to admit the position. He did, however, make one request, which was that an endeavour should be made to create more publicity in the future for Turco-Russian friendship and to infuse more warmth into that publicity than had recently been the case. M. Saracoglu told me that, although his unspoken thought was that the failure in this respect had been far more on the Russian than Turkish side, he, nevertheless, willingly agreed to M. Potemkin's proposal. And to me he added: "so you see that the only actual change is that we are going to be appreciably warmer now in the expression of our friendship with Russia."

5. As we were on this topic, I thought it as well to reaffirm to M. Saracoglu the fact, of which, of course, his predecessor was entirely aware, that we never regarded Turkey's relations with Russia as anything except her own affair, and never presumed to comment on them, although I was naturally always glad of information about the position from time to time. I may add, I said, that I had always been scrupulously careful, whether in speaking to a foreign diplomatist or anyone else, never to encourage or allow the belief that a cooling-off of Turco-Russian relations was viewed by us with any satisfaction; that, on the contrary, I had always expressed the view that good relations between Turkey and Russia had been, were, and would remain, one of the cardinal factors of British foreign policy.

6. M. Saracoglu said that he was aware of our attitude in this matter, and it was one that, besides being in accordance with the facts, the Turkish Government highly appreciated.

7. I am sending a copy of this despatch to His Majesty's Ambassador at Moscow.

I have, &c.
PERCY LORAINE.

[E 7370/69/44] No. 56.

Sir P. Loraine to Viscount Halifax.—(Received December 8.)

(No. 622.)
My Lord, *Angora, December 2, 1938.*

I HAVE the honour to inform your Lordship that the will of the late President Atatürk was solemnly opened and read on the 28th November at the Ministry of Justice in the presence of M. Atatürk's sister, Bayan Makbule, the Ministers of Justice, Foreign Affairs, and the Interior, and a number of Deputies and judges.

2. M. Atatürk bequeathed his entire fortune to the Republican People's party, on the condition that it should be administered by the Iş Bank, and that the interest accruing therefrom should be utilised in providing annuities for his sister (£T. 1,000 a month) and for his adopted daughters, Afet, Sabiha Gökçen, Ülkü, Rukiye and Nebile (£T. 800, 600, 200, 100 and 100 a month respectively) for their lifetime, as long as they remain faithful to the honourable nature of their relations

with him. M. Atatürk also directed that the interest should cover provision of a residence for Sabiha Gökçen, the young aviatrix, for the maintenance of his sister's house at Çankaya during her lifetime, and for the higher education of the children of M. Ismet Inönü. The remainder is to be divided equally between the Turkish Historical Society and the Turkish Language Society.

3. It will be recalled that in June of last year M. Atatürk presented to the nation all the model farms which he had created in various parts of Turkey (please see Mr. Morgan's despatch No. 353 of the 15th June, 1937).

I have, &c.
PERCY LORAINE.

[E 7371/797/44] No. 57.

Sir P. Loraine to Viscount Halifax.—(Received December 8.)

(No. 623 E.)
My Lord, *Angora, December 1, 1938.*

I HAVE the honour to inform you, with reference to my telegram No.157 of of the 7th October, that I used the occasion of a recent interview with the Turkish Minister for Foreign Affairs to remind him that his predecessor, at the moment of Dr. Funk's visit to Angora in October, had very kindly himself undertaken to exercise vigilance over the implementation of the Turco-German Agreement in regard to German credits for Turkey, to ensure that there should be no prejudice created thereby to the operation of British credits to Turkey or to the security for the repayment of those credits, and I asked whether his Excellency would be willing to accept that task also as a heritage from Dr. Tevfik Rüştü Aras.

2. M. Şükrü Saracoğlu replied that he was aware of the personal undertaking in this sense given to me by Dr. Aras, that he had already taken thought for the matter, recognised that he had inherited the obligation, and had requested M. Numan Menemencioğlu to act as his deputy for the purpose. He believed I would agree with him in regarding M. Numan Menemencioğlu as an efficient deputy and hoped I was satisfied with the arrangement.

3. I thanked M. Saracoğlu for his forethought and courtesy, adding that I could not wish for a more efficient gendarme in the circumstance than M. Numan Menemencioğlu.

4. I am sending copies of this despatch to His Majesty's Ambassador at Berlin and to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

[E 7375/373/44] No. 58.

Sir P. Loraine to Viscount Halifax.—(Received December 8.)

(No. 628 E.)
My Lord, *Angora, December 3, 1938.*

I HAVE the honour, with reference to Mr. Morgan's despatch No. 452 E. of the 7th September last, regarding Turkish foreign trade during the second quarter of the year, to transmit to your Lordship herewith a report covering the third quarter ended the 30th September last.

2. Tables I and II cover imports and exports of principal countries while Tables III and IV show imports and exports of principal commodities. The total foreign trade of Turkey during the third quarter and nine months ended the 30th September compare as follows with that of the corresponding periods of 1937 :—

	Imports. '000s.		*Exports. '000s.*	
	Tons.	*Value. £T.*	*Tons.*	*Value. £T.*
Third quarter—				
1938	188,859	36,635	237,139	23,722
1937	156,410	31,259	225,807	22,202
Nine months—				
1938	549,149	112,219	770,794	79,034
1937	415,425	79,268	729,662	77,111

The debit balances of trade over the quarter and nine months are as follows:—

	1938.	*1937.*
	£T. '000s.	
Third quarter	12,913	9,057
Nine months	33,185	2,157

The above figures show that the average cost per ton (short) of Turkish imports during the quarter under review amounted to £T. 194 against £T. 200 during the corresponding period of 1937, and, of her exports during the same quarters, to £T. 100 against £T. 102·5. For the nine months the corresponding figures are imports £T. 204·3 against £T. 190·9, and exports £T. 102·6 against £T. 105·7.

3. United Kingdom exports to Turkey continued to maintain the accelerated rhythm noticeable during the first quarters of the year, and during the quarter under review amounted to approximately 80 per cent. of the whole of the exports to Turkey during the nine months of 1937. The total United Kingdom exports to Turkey for the nine months of 1938 exceeded those of the corresponding period of 1937 by some 350 per cent., *i.e.*, £T. 12·8 million against £T. 3·5 million. United Kingdom imports of Turkish products, however, show a decline both over the quarter and, to a greater extent, over the nine months (£T. 2 million against 2·8 million during the quarter and £T. 4·5 million against 5·9 million over the nine months).

4. German commercial penetration continues. During the quarter under review she has supplied approximately 33 per cent. of Turkish imports and has purchased 44 per cent. of Turkish exports. During the nine months the respective percentages are 45·58 per cent. and 37·2 per cent.

5. Italian trade with Turkey also shows a considerable increase over the corresponding period of 1937, particularly as regards Italian purchases of Turkish products, which amounted to £T. 12 million during the nine months as against £T. 4·3 million in 1937, the total trade, imports and exports, amounting to £T. 15·5 million against £T. 9·5 million in 1937.

6. U.S.S.R. trade, however, shows a considerable decline, exports to Turkey dropping from £T. 2·4 million to £T. 1·5 million and imports from Turkey from £T. 1·7 million to £T. 1·2 million, and the total trade over the nine months from £T. 9·3 million to £T. 6·5 million.

7. Turkish imports showing the largest increase over the nine months are woollen and worsted piece-goods (£T. 2·3 million against £T. 0·8 million during the same period of 1937); sugar (£T. 3·6 million against £T. 0·6 million); iron and steel pipes (£T. 2 million against £T. 0·9 million); iron, worked, heavy (£T. 3·2 million against £T. 1·1 million); locomotives (£T. 3·2 million against £T. 1 million); machinery, various (£T. 4·6 million against £T. 2·9 million) and railway wagons (£T. 2·2 million against £T. 0·5 million).

8. The only decrease of any moment in the value of imports occurred in yarns, woollen and mixed, the value of which fell from £T. 2·9 million to £T. 1·8 million over the nine months.

9. Turkish exports were well maintained, the only increases shown being of a seasonal character, due to late or early crops or delays in shipment, except in the case of chrome ore, where exports have risen from £T. 2·8 million in the nine months of 1937 to £T. 3·9 million during the corresponding period of 1938.

10. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

Enclosure in No. 58.

Table I.—*Turkish Imports by Principal Countries.*

In £T. '000s.

Country.	*1938.*		*1937.*	
	Third Quarter.	*Nine Months.*	*Third Quarter.*	*Nine Months.*
United Kingdom	4,029	12,860	2,097	4,598
Germany	18,988	51,149	12,627	32,487
United States	2,747	13,491	5,132	12,512
Italy	1,636	4,523	1,713	5,204
Czechoslovakia	978	4,902	703	1,679
U.S.S.R.	1,551	4,333	2,414	5,077
Belgium	372	1,966	349	771
Sweden	489	1,872	428	1,597
Poland	737	1,841	81	260
British India	593	1,876	488	973

Table II.—*Turkish Exports by Principal Countries.*

In £T. '000s.

Country.	*1938.*		*1937.*	
	Third Quarter.	*Nine Months.*	*Third Quarter.*	*Nine Months.*
United Kingdom	1,274	3,523	2,788	5,914
Germany	10,510	29,412	3,563	27,391
United States	2,506	5,459	1,954	7,085
Italy	1,316	11,998	1,333	4,358
Czechoslovakia	946	4,557	1,390	4,559
U.S.S.R.	1,274	2,277	1,722	4,303
Belgium	570	1,643	2,883	5,213
Sweden	448	919	291	874
Poland	218	772	803	1,292
British India	18	168	158	605

Table III.—*Turkish Imports by Principal Commodities.*

In £T. '000s.

Article.	*1938.*		*1937.*	
	Third Quarter.	*Nine Months.*	*Third Quarter.*	*Nine Months*
Yarns of wool and hair of all sorts	377	1,814	933	2,966
Sugar	83	3,617	140	661
Piece-goods, wool and mixed	127	2,354	579	851
Yarns, cotton, of all kinds ...	942	4,125	1,649	3,510
Piece-goods, cotton, bleached and dyed	4,230	10,100	3,496	9,801
Iron and steel	1,599	3,686	1,598	3,126
Rails, &c.	642	1,753	206	909
Iron and steel sheets ...	507	1,240	314	877
Iron sheets, galvanised ...	203	1,137	438	965
Pipes, iron and steel ...	549	2,002	400	919
Iron, worked, heavy ...	1,956	4,523	693	1,151
Locomotives	273	3,259	520	1,031
Motors, electric	625	1,678	602	1,297
Machinery, weaving and spinning	354	1,945	902	1,756
Machinery, agricultural ...	262	1,377	701	1,417
Machinery, other	668	4,633	1,194	2,987
Wagons (Railway)	639	2,263	297	509
Medicinal preparations ...	362	992	193	783

Table IV.—*Turkish Exports by Principal Commodities.*

In £T. '000s.

Article.	*1938.*		*1937.*	
	Third Quarter.	*Nine Months.*	*Third Quarter.*	*Nine Months*
Hides and skins	609	2,125	924	2,323
Wool, &c.	856	1,544	1,831	5,099
Mohair	620	1,904	1,080	3,684
Wheat	838	4,576	2,337	7,663
Rye	703	2,614	948	3,574
Barley	2,060	4,357	894	2,707
Pulse	702	1,541	864	1,310
Sultanas	2,246	5,690	985	3,080
Figs	978	1,424	576	752
Hazelnuts	2,523	6,902	1,398	5,563
Olive oil	309	1,125	231	1,498
Tobacco	3,214	16,897	3,030	13,847
Cotton	1,612	6,158	465	4,507
Chrome	1,390	3,930	1,148	2,816
Coal, &c.	334	1,516	454	1,315

[E 7377/69/44] No. 59.

Sir P. Loraine to Viscount Halifax.—(*Received December* 8.)

(No. 632.)

My Lord, *Angora, December* 3, 1938.

SINCE the seriousness of M. Kemal Atatürk's malady was understood and the possibility of its fatal issue became apparent, I have endeavoured to keep your Lordship accurately informed, not only of the medical progress of the disease, but also of the likely course of events should the President's death supervene. In both respects I was fortunately able to draw on the expert competence of Dr. Tevfik Rüştü Aras, and was thus enabled to furnish you with a reasonably precise forecast.

2. It is now clear that since the latter half of August M. Kemal Atatürk's life has been seriously threatened; but his will to live was an incalculable factor. The suspense of the last two and a half months has been painful and disturbing for all friends of the late President and all well-wishers of the republic which he founded. But from a practical view it has also had its advantages; for it compelled the leading men in Turkey not merely to visualise the Kemalist Republic without its creator, but also to assess and to accept their own responsibility for ensuring the stability and continuity of the political structure bequeathed to the nation by its great leader, and the virtues of which had already been so conspicuously vindicated.

3. It says much for the good sense of those men that the oncoming hour of responsibility brought them together in even closer harmony and franker goodwill than ever before in their determination to deserve well of their chief and of the country, and to discharge faithfully the obligations which thenceforth devolved on them.

4. In the morning of the 10th November, Atatürk died in Istanbul. By midday on the 11th November General Ismet Inönü had been unanimously elected by the Grand National Assembly in Angora to succeed him in the presidency of the republic. The Government resigned; the Prime Minister was entrusted by the head of the State with the formation of a new Cabinet, and the second Government of M. Celal Bayar, minus the services of Dr. Tevfik Rüştü Aras, who had occupied the Ministry for Foreign Affairs for thirteen years, and of M. Şükrü Kaya, who had occupied the Ministry of the Interior for eleven years, assumed its duties on the 11th November.

5. The transference of power and office thus took place with the utmost promptitude, with scrupulous regard for constitutional practice, without a ripple on the stream of the country's life; and the young republic emerged with dignity

and decorum from the first big test of its institutions. Furthermore, there was here no victory of one party faction over another, no triumph of one political theory at the expense of another. The men of the Government and the men of the party had laid their plans in harmonious agreement; their plans were good, and they were carried out. More than that cannot be stated at present, but the augury is a good one.

6. In my opinion, the choice of General Ismet Inönü as President of the Republic was undoubtedly the right one. Your Lordship may, indeed, recollect that more than a year ago (see my telegram No. 22, Saving, of 1937), at the moment of his retirement from the post of Prime Minister, I suggested him to your predecessor as a likely and suitable occupant of the presidency in the event of M. Atatürk's death. He enjoys great personal popularity in the country, he has already the authority conferred by thirteen years of office as Prime Minister, and the prestige not only of a victorious general in the war of liberation, but also of Atatürk's principal lieutenant in the building up of the republic. General Ismet Inönü is just as incorruptible as his great predecessor; he is industrious and a sober liver; he has first-hand knowledge of foreign affairs and a complete grasp of the administrative machine and of administrative problems. He has thus all the necessary qualifications to fulfil his high office, to consolidate the régime, and to shed further lustre on the youthful republic.

7. But Atatürk, with his dramatic dynamism and his magnetic attraction for the people, will be missed. The mourning for him is very real. During the funeral ceremonies it was pathetically evident among the common people and patently genuine. Women could not control their tearful emotions, and even sturdy Turkish infantrymen lining the streets along which the funeral cortège slowly defiled, though standing rock-like in the maintenance of their military duties and marshalled ranks, might be seen with faces twisted by grief and furrowed by tears.

8. The passage and impact of succeeding years will test the fidelity to Atatürk's memory and the strength of what he has built; in my expectation both will successfully withstand the strain.

I have, &c.

PERCY LORAINE.

[E 7380/69/44] No. 60.

Sir P. Loraine to Viscount Halifax.—(*Received December* 8.)

(No. 635.)

My Lord, *Angora, December* 3, 1938.

IT would be difficult to exaggerate the favourableness of the impression made, naturally in somewhat different ways, firstly on the higher Turkish authorities and secondly on the Turkish population generally which had the opportunity to judge, of the British representation at the funeral of late President of the Republic, M. Kemal Atatürk. To me it is evident that among all Turkey's friends and neighbours it was England whose marks of sympathy and friendship were most eagerly awaited, most warmly appreciated when so amply forthcoming, and so universally recognised as the measure of the recognition that the young republic has achieved in the modern world.

2. Turkish satisfaction at the result has been very deep and, I am sure, very genuine. I happen to know that not only the extent and magnificence of the British representation, but also the way in which it was offered, made a great impression on the Turkish imagination, and elicited loud applause from the members of the parliamentary group of the People's party when the competent Cabinet Minister rendered to them his report on the matter.

3. The King's choice of Field-Marshal Lord Birdwood to represent His Majesty personally was a singularly happy one. Lord Birdwood's fame already stood high in this country, his chivalry as an opponent in the Gallipoli campaign and his high military ability were well-known among the Turks, and his choice was regarded here as symbolic of the loyalty in friendship that has so happily succeeded the loyalty in armed conflict between the two countries.

4. A profound impression was also created by the fact that England was the first Great Power to offer to send a naval unit to Istanbul and a military

contingent to Angora in connexion with the obsequies of Kemal Atatürk, and this impression was enhanced by two things, firstly, that the Commander-in-chief in the Mediterranean had expressed the desire to come in his flagship and to attend the funeral ceremonies in person; secondly, that the offer to send a ship was made in a form both grateful to Turkish susceptibilities and regardful of Turkish obligations in the matter of the Straits.

5. When the contingent from H.M.S. *Malaya* arrived in Angora, composed of bluejackets, Royal Marines and a Royal Marine band, and especially when it was seen in the funeral procession, its fine appearance, discipline and demeanour evoked a chorus of admiration.

6. The use in this despatch of the words impression, appreciation and admiration does not seem to me, however, to describe quite adequately the Turkish feelings about the measures taken by The King, His Majesty's Government and the British nation to show their respect for the deceased leader, their sympathy in Turkish mourning for his loss and their friendship for the Kemalist Republic. The Turks were touched in the very bottom of their emotions. They were proud, and happy and grateful. I think more than one generation will pass in Turkey before this thrill of warm, emotional gratitude through which they passed will be forgotten by our Turkish friends.

7. I should be indeed ungrateful if I concluded this despatch without drawing your Lordship's attention to the active, courteous and willing helpfulness of the Turkish authorities, and especially of the Turkish liaison officers, both military and civil, in all matters connected with the dignity and comfort of the field-marshal, the Commander-in-chief, Mediterranean, and the contingent from H.M.S. *Malaya*. The Turkish assistance in all respects was a model of efficiency, kindness and forethought.

I have, &c.
PERCY LORAINE.

[E 7644/947/44] No. 61.

Sir P. Loraine to Viscount Halifax.—(Received December 19.)

(No. 27. Saving. Confidential.)
(Telegraphic.) *Angora, December 13, 1938.*

MY despatch No. 522.

Secretary-General to Minister for Foreign Affairs tells me that Germans are still worried about their position in relation to Montreux Straits Convention and feel keenly their position of inferiority as the only Great European Power which can neither sign nor adhere.

For a long time Germans pressed hard for a separate Turco-German instrument; Numan, however, pointed out that Turkey had no status for entering into a bilateral agreement in regard to Straits and could not possibly contemplate such a course; and he held his ground notwithstanding representations made to him in Berlin when he was last there by Herr von Ribbentrop, under personal orders from Herr Hitler. Finally, Germans recognised that his position was unassailable, and asked him to find some formula for some kind of declaration which would save their *amour-propre* and prestige.

He finds it extremely difficult to do this. German Chargé d'Affaires, however, pursues him here about the matter, and he showed me in confidence a German draft statement which he considers open to two objctions: (1) that wording indicates an "agreement" between the two Governments; and (2) that second paragraph is a reservation similar to that made by Japan and Italy.

As regards (2), he thinks the difficulty could be overcome by Germans stating their reservation in a separate letter, of which Turkish Government would merely acknowledge receipt.

As regards (1), he would prefer a "constatation" that Germany enjoys the benefit of the convention; but he fears that Germans may not be content with this.

He is going to Berlin on 18th December (and has to undergo an operation there), and next week he hopes to evolve a formula and show it to me.

Evidently he would appreciate any suggestions, but your views were fully expressed in your despatch No. 114, and I do not see what more I can do than refer him to what I told Dr. Aras on the receipt of that despatch.

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[E 7721/81/44] No. 62.

Sir P. Loraine to Viscount Halifax.—(Received December 22.)

(No. 644 E.)
My Lord, *Angora, December 14, 1938.*

I HAD the honour in my despatch No. 510 E. of the 12th October last to inform your Lordship that the Divrik–Erzincan section of the railway line to Erzerum had been completed and that the first train had reached Erzincan. The line has now been officially inaugurated by the Minister of Public Works, at a ceremony held at Erzincan on the 11th December, in the presence of the Ministers of National Defence, Foreign Affairs and Public Instruction, and the civil and military authorities of the district.

2. In his inaugural oration M. Ali Çetinkaya said that the Erzincan Railway was the work of the Turkish nation and an achievement of which the Turkish engineers responsible for bridges, tunnels and viaducts might well be proud. He went on to speak of the railway programme of the republic, which had been inspired by M. Ismet Inönü, and which had entailed the expenditure in the last twelve years of £T. 300 million. A further £T. 200 million had been spent on purchasing lines operated by concessionary companies. The number of passengers had increased from 5 to 20 million in the last five years, freight had increased from 2 to 5 million tons in the same period, and receipts from £T. 176,000 in 1923 to £T. 36 million in 1937. M. Ali Çetinkaya also said that the line would reach Erzerum in the middle of next year, and that work had already commenced on the line which would connect Diarbekir with the frontiers of Iraq and Iran (a reference is invited in this connexion to my despatch No. 112 of the 28th February last).

3. A speech was also made by General Alpdoğan, Inspector of the IVth Army Corps, and the ribbon was, in fact, cut by the Minister of National Defence. The ceremony closed with the immolation of sheep, followed by a banquet.

4. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

[W 16197/11/41] No. 63.

Viscount Halifax to Sir P. Loraine (Angora).

[By Bag.]

(No. 36. Saving.)
(Telegraphic.) *En clair.* *Foreign Office, December 22, 1938.*

YOUR telegram No. 219 [of 19th November last: Suggestion of Turkish Government that Nyon arrangement should be put in abeyance].

Please inform Turkish Government that while His Majesty's Government would naturally be interested to hear Turkish views regarding the future of the Nyon arrangement, they feel that, in view of the serious risks to which shipping is still exposed in the Western Mediterranean, the moment has not yet come to put the arrangement into abeyance.